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TODAY: STAGE Gaslight Thriller, Page 10

U.S. Weighs Eased Curbs On Cuba for Pope's Visit

Travel by Americans There in January May Be Permitted

By Steven Lee Myers
New York Times Service

WASHINGTON — Weighing its aversion to Fidel Castro against its regard for Pope John Paul II, the Clinton administration is strongly considering easing restrictions on travel by Americans to Cuba during the Pope's scheduled visit there in January, officials say.

The temporary easing would allow hundreds and perhaps thousands of people to go to Cuba for the Pope's visit, now scheduled to last five days, starting Jan. 21, the officials said.

The administration also wants to allow Catholic churches and charities to ship supplies and equipment to help Catholic officials in Cuba organize the visit.

While measures being considered would mark a significant relaxation of the restrictions against Cuba, which the United States has maintained for more than three decades, the officials insisted that the administration was in no way proposing a more general lifting of the economic embargo, which the United States has tightened in recent years.

"The secretary of state views the Pope's visit as an important development in bringing to the Cuban people a message of hope and faith and the importance of respecting human rights," James Rubin, a spokesman for Madeleine Albright, said Monday. "And therefore, out of respect for His Holiness, we are facilitating travel and the delivery of certain goods for the purpose of that trip."

The officials could not yet say exactly how many people would be allowed to go or whether Cuba would accept them. But they said the administration was prepared to grant special licenses to large groups, presumably Catholics.

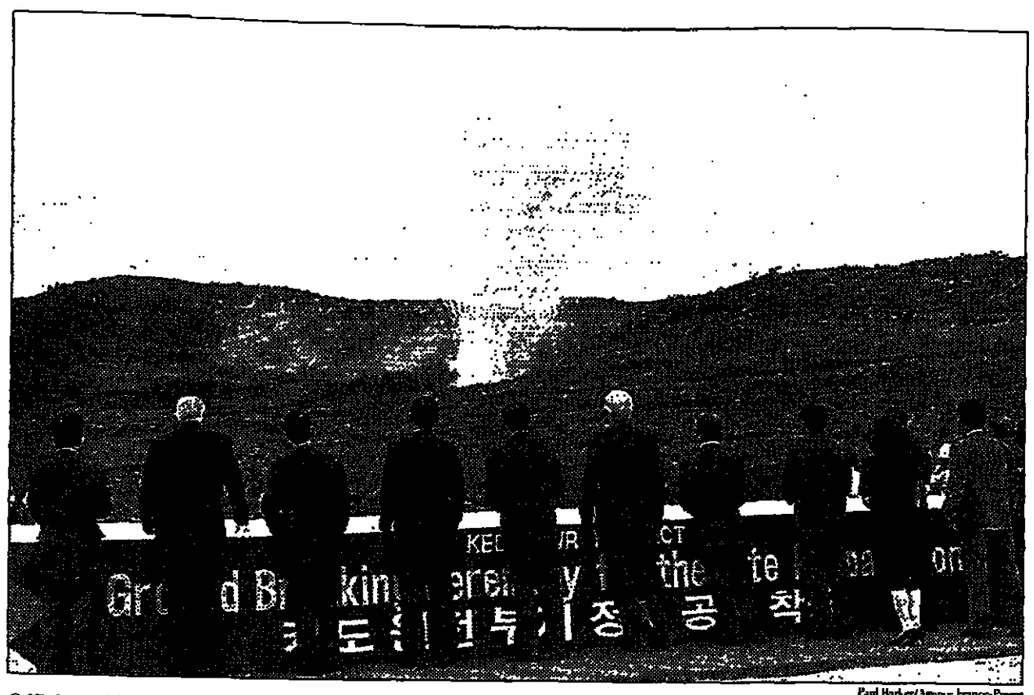
Currently, the embargo does not ban travel and the sending of relief supplies outright, but severely restricts citizens or even residents of the United States from spending money in Cuba, with few exemptions.

It also requires that anyone who receives permission to travel to Cuba do so by flying there from a third country, a rule that the administration is also considering easing.

Although no final decisions have been made, the administration has been quietly reviewing the matter for months, working in consultation with the U.S. Catholic Conference in Washington and archdioceses from around the country.

The archdiocese of Miami, which includes a large population of Cuban-Americans, has requested permission to

See CUBA, Page 6



Paul Barker/Agence France-Presse

Officials of foreign countries scrutinizing the groundbreaking blast Tuesday for a North Korean nuclear plant.

North Korea Opens A Window to World

Energy Project Allows Seoul And Others Into Stalinist State

By Kevin Sullivan and Mary Jordan
Washington Post Service

TOKYO — North Korea on Tuesday broke ground on a $5 billion energy project that international officials hope will make the reclusive Stalinist nation more economically stable, less of a military threat and more engaged with the outside world.

In a remote corner of North Korea's east coast, more than 100 diplomats and officials from at least 10 nations watched as an explosion of fireworks, a shower of confetti and the roar of bulldozers marked the symbolic beginning of an internationally funded project to build two nuclear power reactors that will produce electricity for ailing North Korea.

In a statement read on his behalf at the ceremony Tuesday, President Bill Clinton said the project was "at the top of the United States' foreign policy agenda." He described the groundbreaking as "a major new milestone" that would significantly contribute to peace and stability on the Korean Peninsula.

The project, managed by a U.S.-led consortium known as the Korean Peninsula Energy Development Organization, has been a top priority of the governments in Washington, Seoul and Tokyo since North Korea agreed to it in 1994.

Under the deal, North Korea agreed to suspend its efforts to build nuclear weapons and dismantle its existing graphite nuclear power reactor. In exchange, North Korea will get two light-water nuclear reactors, whose fuel is much more difficult to convert to weapons use. Those reactors may take as long as 10 years to build, and in the meantime, North Korea will receive 500,000 tons of fuel oil each year.

North Korea is so short of fuel that factories throughout the country have shut down, and Western officials say North Koreans have been dismantling factories and trucking their machines and other metal across the border into China to sell for scrap.

In a speech at the site Tuesday, a North Korean diplomat, Ho Jong, said the nuclear issue was "a product of the Cold War that stems from the historical distrust and abnormal relations" between North Korea and the United States. Mr. Ho pledged that North Korea would continue to honor the deal to forge "future-oriented relations with the U.S. through reconciliation and cooperation."

North Korea has long resisted dealing directly with its rivals in the South; instead, it has tried to seal bilateral agreements with the United States, much to the annoyance of Seoul. Mr. Ho did not mention South Korea in his speech Tuesday, even though South Korea is paying most of the cost of the reactors and providing most of the labor.

See KOREA, Page 4

The Dollar		
New York	Tuesday @ 4 P.M.	previous close
DM	1.8408	1.8335
Pound	1.606	1.6062
Yen	118.185	118.00
FF	6.1995	6.1705

The Dow		
	Tuesday close	previous close
+114.74	7918.10	7803.36

S&P 500		
change	Tuesday @ 4 P.M.	previous close
+13.52	926.01	912.49

UPS Accord: A New Era for Labor?

After Years of Loss, Victory for a Union

By James Flanigan and Stuart Silverstein
Los Angeles Times Service

Organized labor in America, battered by decades of declining influence, scored a big victory with a tentative settlement in the Teamsters strike against United Parcel Service.

However, the deal could create some inflationary pressures on the economy,

NEWS ANALYSIS

and sends a signal that management may not be fully able to deploy workers as it sees fit.

But whether American business suffered a long-term defeat, and lost leverage in battles with organized labor, will be subject to debate.

Leaders of the Teamsters and United Parcel Service reached a tentative agreement late Tuesday to end the 15-day-old nationwide strike that gave the union most of what it wanted.

A full complement of the biggest U.S. package delivery company's trademark brown trucks could be back on the roads by Wednesday, officials said.

The labor victory was aided by a tight labor market and strong public support. And the UPS situation, some experts argue, is atypical in that it was hard for the company to replace its vast number of highly skilled workers. In other industries, where striking workers are easier to replace, management may still hold the upper hand, analysts say.

The Teamsters president, Ron Carey, boasted Monday night that "workers were on the run, but not any more. This strike marks a new era."

The settlement resulted in significant concessions to the union on the key issues of part-time labor and pensions.

UPS management declined to state an opinion of the settlement. But economists speculated that the combination of having to promote part-time workers to full-time schedules, with pay raises for all workers, could set off a round of wage and cost pressures in the U.S. economy.

"This means there will be cost pressures from the wage side that we haven't seen in this expansion," said Larry Kimbell, director of the University of California, Los Angeles, Business Forecasting Project.

Wage increases are not inflationary, if offset by productivity gains.

For UPS management, though, there is tough work ahead. The union prevailed on its key demand that UPS, which employs more than 100,000 part-time workers, upgrade thousands to full-time positions.

See UPS, Page 6

J. David Ake/Reuters

Jubilant United Parcel Service workers outside an Oakland, California, distribution center after hearing a radio broadcast about the accord.

Asia Bankers Raise Rates As Currencies Face Attacks

By Velisarios Kattoulas
International Herald Tribune

TOKYO — The turmoil in the East Asian financial markets widened Tuesday as central banks raised interest rates and sold dollars to defend their currencies from speculators.

"Concern about Asian currency values has broadened," said Alex Erskine, regional market strategist at Citibank in Singapore. "We started with the Thai baht, but the contagion has spread across the region."

The sliding currencies pushed stock prices down in most of the region, contrasting with a 1.5 percent rebound on Wall Street and strong gains in Europe, which rose after the U.S. and German central banks passed up opportunities to raise interest rates. (Page 12)

With investors split over whether East Asia's economies have bad hiccups or a more serious malaise, turmoil in the region's financial markets is unlikely to pass quickly. But analysts said Asian central bankers were determined to restore calm by late September, when the world's central bankers gather in Hong Kong for the annual meeting of the International Monetary Fund.

"This is supposed to be a trophy meeting," celebrating East Asia's economic vigor and stability, said a regional analyst who asked not to be identified. "During the meeting the world's focus will be on Asia. So it will be extremely humiliating if the region's currency markets are in turmoil."

On Tuesday, however, selling by

See MARKETS, Page 12

Goh's Motives Questioned In Singapore Defamation Case

Reuters

SINGAPORE — A British lawyer accused Prime Minister Goh Chok Tong of Singapore on Tuesday of using the courts as a tool to get an opposition leader out of Parliament.

Cross-examining Mr. Goh on the second day of a defamation case against the Workers' Party leader Joshua Jeyaretnam, the libel lawyer George Carman suggested to a packed High Court that the action was designed to bankrupt Mr. Jeyaretnam.

Bankrupts are barred from being members of Parliament.

"One way of making a member of Parliament bankrupt," he said, "is to use the heavy artillery of multiple actions to obtain massive damages. Is that part of your strategy?"

When Mr. Goh said it was not, Mr. Carman said, "You and your 10 political colleagues saw this as a method of causing financial oppression on this 71-year-old man because you wanted him out of Parliament and thought the court would provide a convenient method."

"No, Mr. Jeyaretnam is not a threat to the PAP," Mr. Goh said, referring to his People's Action Party, which has led Singapore since it became self-governing in 1959.

Mr. Goh; his predecessor, Lee Kuan Yew, and nine other People's Action leaders accused Mr. Jeyaretnam of defaming them at a final rally before the Jan. 2 elections in which the PAP won 81 of 83 seats. Mr. Jeyaretnam told the rally that a fellow Workers' Party candidate had filed police reports against the PAP leaders accusing them of lying.

The trial is being monitored by such human rights groups as the Geneva-based International Commission of Jurists and Amnesty International, which says it is concerned at reports Singapore has used defamation suits to limit free speech.

The People's Action leadership

See SINGAPORE, Page 4

AGENDA

Good Day on Mir as Crew Plans Repairs

The Mir space station returned to a stable alignment with the sun Tuesday as the Russian-American crew prepared to restart the main computer that failed Monday.

Russian officials said they hoped to have the computer in operation by Wednesday, allowing two Russians and an American on board to move ahead later this week with a long-awaited internal spacewalk to carry out major repairs on the damaged vessel. A Russian official attributed some to Mir's problems on lack of financing. Page 5.

PAGE TWO
Dr. King's Dreams and His Heirs

THE AMERICAS Page 3.
A Controversial U.S. Arms Decision

INTERNATIONAL Page 6.
Iranian Urges 'Fresh' Foreign Policy

Books ..... Page 10.
Crossword ..... Page 10.
Opinion ..... Pages 8-9.
Sports ..... Pages 18-19.

The IHT on-line http://www.iht.com

Bosnian Serb Finance Minister Resigns

BANJA LUKA, Bosnia-Herzegovina (AFP) — The Bosnian Serb finance minister, Ranko Travar, resigned Tuesday, President Biljana Plavsic's office announced.

Mr. Travar, in a short statement, said, "I can no longer take part in resolving the political and constitutional crisis."

Mrs. Plavsic is involved in a power struggle with hard-liners associated with the wartime Bosnian Serb leader Radovan Karadzic.

Earlier article, Page 5.

An Embassy Row in Poland

U.S. Refuses to Compensate Site's Ex-Owners

By Christine Spolar
Washington Post Service

WARSAW— Even in a city cursed with a skyline of Stalinist blocks, the U.S. Embassy stands out as an architectural nightmare — a glass, cement and aluminum hulk, circa 1960.

But No. 29 Aleje Ujazdowskie is notable for more than its unfortunate design. In a wrangle over post-Cold War restitution, the U.S. government is at odds with a Polish family — which suffered in Nazi concentration camps and then Soviet-era purges — over who has proper claim to the address.

"I love American people, but everyone I tell this story to is flabbergasted," said Albert Czetwertynski, son of the property's former owner, who now lives in Canada. "They can't believe their government has acted like — well, like Bolsheviks."

In Eastern Europe, eight years after the fall of the Berlin Wall, the U.S. government still holds leases for property that were first negotiated with Communist governments.

Contracts firmly in hand, Washington will not budge on demands from former owners. In two well-publicized cases — one here, the other in Romania — claims by individuals are going nowhere.

To critics, this contradicts the U.S. government's stance — in some other parts of the world — in favor of restitution of property that was appropriated by authoritarian regimes. For example, the Helms-Burton Act seeks to punish anyone who profits from property in Cuba that was seized from pre-revolutionary owners by the government of Fidel Castro.

In Poland, the intrigue began after World War II, when all land in bomb-devastated Warsaw was deemed state-owned. Yet, as Polish law makes clear, private landowners could hold on to buildings still standing on land they formerly owned.

Records show that the Czetwertynskis, an aristocratic family struggling in the new Communist Poland, did just that with their estate on the city's exclusive Embassy Row.

Missing some doors, chandeliers and crystal, the 19th-century villa had largely escaped Warsaw's wartime destruction. The Czetwertynskis made the most of it, renting the villa to state-run Polish Radio. Postwar records show that the Czetwertynskis earned thousands of dollars a year from the villa in the late 1940s.

Albert Czetwertynski's 87-year-old father, Stanislaw, a survivor of two death camps — Auschwitz and Buchenwald — often advised his family about the value of the Polish Radio rental.

It was, his sons remember, what kept

See EMBASSY, Page 6

Interpol! Internet! Some Fret Over Rush in Roulette

By Beth Berselli
Washington Post Service

WASHINGTON — It's the convenience of it that Kurn Wheeler appreciates: no long flights to Las Vegas, no expensive hotel stays, no cheesy Elvis impersonators. Instead, the roulette wheel is right there on his computer screen, whenever he cares to place a bet.

Mr. Wheeler of Florida says he plays almost every day for two or three hours, his bets flying across the Internet to a computer in Antigua. It contains his account and those of thousands of other gambling enthusiasts. With some nifty graphics, it brings them together in a "virtual casino."

"It's great," said Mr. Wheeler, who used to visit Vegas every few months. "It's very private. There are no distractions, no dirty looks from the casino people if you win. I can just relax and concentrate on what I'm doing."

Despite a host of questions about legality and legitimacy, Internet gambling is probably a $200 million-a-year business, analysts say, and likely to top $1 billion by the turn of the century. There are about three dozen sites on the World Wide Web where gamblers can bet real money on blackjack, craps and the Boston Celtics, among others. A year ago, barely a virtual bet had been placed.

Some sites are for real, paying winnings when winnings are due as legitimate casinos do in the real world. Others, some gamblers said, seem to be con operations. Either way, the growth has caught the attention of U.S. senators and state attorneys general, who are determined to beard this lion in its den. They portray on-line gambling as the latest cyber-bogeyman, citing a huge potential for fraud, abuse and addiction.

State prosecutors, notably in Missouri, have filed charges against a number of gambling operations, saying that if people in the state can risk their money through them, they violate state laws against gambling. Now, critics have banded together to introduce a bill in Congress to outlaw Internet gambling altogether.

A growing number of gamblers and site operators are voicing dismay, saying that Internet gambling is entirely legal and beyond the jurisdiction of the U.S. government.

"If Minnesota can make the rules for the entire Internet, what's to stop China or Iraq or some other country?" asked Kerry Rodgers, the owner of Granite Gate Resorts Inc., a Las Vegas company that tried to

See GAMBLE, Page 18

Newsstand Prices			
Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1,600 CFA	Qatar	10.00 QR
Egypt	£E 5 50	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1,100 CFA	Senegal	1,100 CFA
Italy	2,800 Lire	Spain	225 Ptas
Ivory Coast	1,250 CFA	Tunisia	1,250 Din
Jordan	1,250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. Mil. (Eur.)	$1.20

A Controversial Legacy / **Passing the Torch to a New Generation**

Martin Luther King's Heirs Seem to Be Shattering Some Dreams

By Kevin Sack
New York Times Service

ATLANTA — For more than 25 years after the assassination of Dr. Martin Luther King Jr., his widow and four children were Atlanta's royalty. World leaders made pilgrimages to the Martin Luther King Jr. Center for Nonviolent Social Change to pay tribute. Presidential candidates begged for an audience, preferably with a photo opportunity. A reverential press dutifully reported official pronouncements and rarely, if ever, criticized.

But now, as the family prepares to transform Dr. King's legacy into a financial empire and as it takes its most public role in years — an extraordinary mission to prove the innocence of Dr. King's convicted killer, James Earl Ray — *its reputation has lost much of its imperial sheen.*

Both in the city where they once held court, and among civil-rights figures, the Kings are now routinely derided.

"If they are the repository of King's legacy, I don't see much being done to spread the message of his life and work," Julian Bond, the civil-rights veteran and scholar, said in one typical remark.

This change in status parallels a generational shift in the family's leadership from Dr. King's widow, Coretta Scott King, who is 70, to her 36-year-old son, Dexter Scott King. After succeeding his mother as both the head of the King center and executor of Dr. King's estate, Dexter King quickly consolidated control over the family's social agenda and financial affairs.

Since then, with halting, often awkward steps, Dexter King has cobbled together a vision for preserving his father's legacy that relies more on the Internet and intellectual property rights than on the cause-oriented mission that Mrs. King developed in 1968.

One measurement of the change: the King center — whose mission statement declares its dedication to "research, education and training in nonviolent philosophy and strategy" — no longer even offers workshops on nonviolence.

In many ways, the transition has highlighted the generational differences, in both substance and style, between the marchers and dreamers of the civil-rights era and the deal makers and realists of today.

Dexter King and his siblings are, quite literally, the children and beneficiaries of their father's movement. And although Dr. King was famously uncomfortable with wealth, so much so that he gave civil-rights groups the $54,000 he won with the 1964 Nobel Peace Prize, his children have not hesitated to claim what they view as their birthright.

Earlier this year, the Kings signed a multimedia publishing deal with Time Warner that is based on the family's intellectual property rights to Dr. King's words and image. The deal is projected to transform the King estate into a fund worth $30 million to $50 million. The estate, whose beneficiaries are Mrs. King and her children, was valued at $66,492.29 at Dr. King's death in 1968.

Then in March, in a race against time to answer a question about his family's history, Dexter King staged a televised prison meeting with the terminally ill Mr. Ray, who had confessed to killing Dr. King and then recanted in 1968.

WITHOUT any showing of evidence, Dexter King declared that his family believed Mr. Ray innocent of any knowing involvement in the killing. Mr. King later implicated President Lyndon Johnson in a government conspiracy, a theory promoted by Mr. Ray's lawyer, William Pepper. Mr. King has joined Mr. Pepper in calling for a trial.

If Dexter King seems an independent spirit, his friends say, *it is because he feels unfettered by the history and* emotional bonds of the civil-rights movement. Dexter King himself makes no claim to civil-rights leadership. Nor does he think the King center should be in the business of civil-rights activism, at least not beyond enshrining his father's legacy and preserving its relevance for those who know little of the Montgomery bus boycott and the march to Selma.

"I have never seen myself the way the media has portrayed me, as a leader," Dexter King said in a recent interview. "I'm not trying to have a constituency. I'm not trying to be preachy or be on a pedestal. I'm not trying to effect change on that level, not because it's not something that should be done, but that's just not my best destiny."

If, as Mr. King says, he is not trying to have a constituency, he seems to be succeeding. With almost every endeavor, he has excited intense opposition or, at the very least, befuddlement. The criticism flows from civil-rights veterans who marched with Dr. King, from board members of the King center, from the pulpit of the church where Dr. King, his father, and his maternal grandfather had been pastor, and from the liberal black editorial page editor of The Atlanta Constitution. Some historians suggest that the family's activities threaten to tarnish Dr. King's legacy.

Alan S. Weiner/The New York Times

Dr. King's widow, Coretta Scott King, seated, and three of her four children, Martin Luther King 3d, 39, left, Bernice, 34, center, and Dexter, 36, right, who has taken over from his mother as president and chief executive of the King center in Atlanta.

"Unfortunately, at some level, the behavior of the family does impact, does hurt King's own historical reputation," said David Garrow, a King biographer who has become a regular critic of the family. "I hope it's a minor impact."

On Aug. 28, 1963, Dr. King told those gathered for the March on Washington that he had a dream "that my four little children will one day live in a nation where they will not be judged by the color of their skin but by the content of their character." Since then, those children, while knit tightly by their past, have traveled varied paths.

Yolanda Denise King, 41, is an actress in Los Angeles who was cast as the daughter of another murdered civil-rights leader, Medgar Evers, in a recent film.

Martin Luther King 3d, 39, is the chairman of Americans United for Affirmative Action, a coalition he founded this year partly to dispel the notion that his father's dream would not have countenanced racial preferences.

Bernice Albertine King, 34, inherited her father's love of *the pulpit. With degrees in law and divinity from Emory* University, she is associate pastor of a Baptist church in Atlanta and has published her sermons and writings.

Like his siblings, Dexter King has never been married and has no children.

Though Mrs. King has never moved from the modest brick house she shared with Dr. King in a black neighborhood, Dexter King lives in a gated, integrated condominium complex. He receives a salary of $132,300 from the King center and owns a Mercedes and a Lexus.

A disk jockey in high school and college, Dexter King invested his time and money in media and entertainment ventures until his mother made it clear that she thought he was the most capable of her children to succeed her as the family's leader, spokesman and business manager.

That role, while fulfilling now, he said, was "not what I would have necessarily chosen for my life."

In 1989, Mr. King was named president of the King center. But Mrs. King retained the powers of chairman of a board that was dominated by civil-rights veterans and corporate benefactors, people of her generation, not Dexter King's.

Mr. King is devoted to his mother, so much so that he choked back tears several times while speaking resentfully of his feeling that she had never received proper credit — or assistance — for raising her family and continuing her husband's work.

But Dexter King, who bears a striking physical resemblance to his father, is also stridently independent and determined to be his own man. Only four months after being named president of the King center, he resigned in a dispute with the board and his mother over the control and direction of the center. Mr. King was 28 years old.

"He thought she had moved out, and she only intended to move over," said the Reverend Joseph Lowery, a King center board member and the president of the Southern Christian Leadership Conference. Mr. King said at the time, "They passed me a match and not a torch."

In 1994, Mrs. King, now moving toward retirement, prevailed upon the King center board to give her son a second chance and the full authority of being chairman, president and chief executive.

Mr. King quickly overhauled the King center board so that family members held a majority of the seats. He orchestrated the premature shutdown of the Martin Luther King Jr. Federal Holiday Commission, which was authorized by Congress and headed by Mrs. King, because he saw it as a fund-raising competitor of the King center.

Mr. King inherited a history of significant deficits from his mother, who had been unable to raise a sufficient endowment for the center and unwilling to limit its scope.

"We were not being very effective in carrying out our mission and purpose, primarily because we were too broad-based," Mr. King said. "The King center became kind of like an all things to all people organization, and that's always a handicap."

Mr. King has struggled to make the King center self-sustaining by vastly reducing its programs. Clearly, he wants to free himself and his siblings from the hat-in-hand fund-raising that so preoccupied his mother.

The center is now a shell of its former self, limited largely to planning commemorations of Dr. King's birthday, maintaining the King crypt, archive and other buildings, operating a gift shop and managing the King family's public appearances and other activities.

Dexter King has cut the staff to 14 from a peak of 70 in 1993.

STILL, the King center, which received nearly half of its $4.2 million budget from federal grants in 1996, will run a small operating deficit in 1997, its sixth straight shortfall, Mr. King said. But the deficit, not accounting for depreciation, was whittled to about $50,000 in 1996 from more than $400,000 in 1992, financial statements show.

Dexter King's first public relations debacle came quickly, in a feud with the National Park Service. The government wanted to build a visitors center for its Martin Luther King Jr. National Historic Site just across the street from the King center. King objected because he wanted the site for a money-making interactive museum to be called the King Dream Center.

After a prolonged standoff, the park service eventually built its visitors center. But some of its exhibit space remains empty because the King center has declined to lend artifacts, such as Dr. King's funeral wagon, clothing and Nobel Prize medal, said Troy Lissimore, the historic site's superintendent.

Plans for the $50 million Dream Center — mocked by Cynthia Tucker, The Constitution's editorial page editor, as "a sort of I Have a Dreamland" — are on hold. Dexter King said public attitudes had become so poisoned in Atlanta that the center might have to be built elsewhere.

After being appointed the executor of the estate in 1991, Mr. King appointed Phillip Jones, a college friend with tenacious entrepreneurial instincts, as its manager and gave him a free hand to pursue marketing arrangements that would spread Dr. King's story.

Mr. Jones also began to aggressively enforce the estate's licensing rights to Dr. King's words and image. Ultimately, Dexter King and Mr. Jones say, they would like to use the estate's intellectual property rights to put together corporate deals that would generate income for charities that embrace Dr. King's philosophy.

Under Mr. Jones's guidance, the estate has reached financial terms with the filmmaker Oliver Stone, who might make a movie about Dr. King's life and death. It has agreed to the production of a television entertainment program each January to commemorate the King holiday. Mr. Jones also hopes to design software to teach students about nonviolent tactics. He is working with a Disney subsidiary on a one-hour animated special "about some kids who go back in time and meet a young Martin."

Under the Time Warner agreement, which is expected to bring the estate an estimated $10 million a year, the company is to produce new books of Dr. King's writings, CD-ROM's of his speeches and memoirs by family members. The deal also includes the creation of a World Wide Web site.

SOME civil-rights veterans, recalling the self-sacrificing spirit of their movement, find the deal distasteful. But not Andrew Young, a King center board member who firmly supports Dexter King.

"People look with a jaundiced eye at the Time Warner deal, but Time Warner will get Martin Luther King's words distributed better than all the nonprofits and churches have done in the last 30 years," said Mr. Young, the former mayor of Atlanta and former chief delegate to the United Nations. "There's nothing wrong with a free-market approach to an essentially humanitarian vision."

The estate also licenses the manufacture of King-related items, among them porcelain statuettes and checkbooks. The Kings have won a reputation for fiercely enforcing their licensing rights, most notably by suing CBS News and USA Today for excerpting or reprinting the "I Have a Dream" speech without asking permission or paying fees. USA Today settled its case in 1993 by paying the estate a $1,700 licensing fee and legal costs; the CBS suit is pending.

Scholars are also angry about extreme limits on access to the King center's archive, perhaps the most extensive collection of civil-rights documents in the country. Because of staffing shortages, Dexter King said, the archive is rarely open and then only to those with long-standing requests.

To shed the financial burden of maintaining the archive, Dexter King has opened negotiations with several universities about the possibility of their buying parts of the collection. Because Stanford University is a leading contender, some civil-rights veterans are concerned that the Kings will allow the papers to be moved out of the South.

Not all of the complaints about the Kings concern money. A number of longtime allies, many of whom question whether James Earl Ray acted alone, cannot understand *why the Kings went so far in declaring his innocence.*

Prominent black Atlantans, including the Reverend Joseph Roberts, the pastor of Dr. King's Ebenezer Baptist Church, wonder why the Kings have not taken a more visible stand on critical issues that would have presumably concerned Dr. King.

"The center is not addressing the issues of the day," Father Roberts said, pointing to the family's low profile on such subjects as church burnings and welfare change.

"I think it is incumbent upon somebody representing the King center to instruct us, albeit conjecturally, on what Dr. King's position might have been on those issues according to his principles."

But Dexter King argues that his father's stature has created unrealistic expectations of his family and a skewed notion of its obligations.

"I think it's unfair to take the King family, to take the King center, to take any one entity and say, 'You are responsible for all social change,' " he said. "I really think it's a double standard that, for some reason with the African-American community, every time you rise to any degree of prominence, you're expected to solve everybody's problems."

TRAVEL UPDATE

Speedup on New Schiphol Runway

AMSTERDAM (AP) — Besieged by complaints about noisy jets overhead, the Dutch government has agreed to speed up plans for a fifth runway at Amsterdam's Schiphol Airport.

Transport Minister Annemarie Jorritsma, citing the urgency of easing noise levels, said work on the runway must begin "as quickly as possible" with a target date of 2003 for completion.

But a group known as the Environmental Defense Association, which is opposed to Schiphol expansion, called the speedup plan illegal.

British Isles Ferries Expand Service

LONDON (NYT) — Ferry service has begun on two new routes in the British Isles. In July, the 300-passenger Claymore began sailing between the Scottish town of Campbeltown, 120 miles (190 kilometers) southwest of Glasgow, and Ballycastle in Northern Ireland. The twice-daily service crossing will continue until Oct. 19 and will resume at Easter.

Two vessels now operate between Liverpool and Dublin. One of the vessels makes the trip in six hours on a six-day-a-week schedule, while a speedier ship sails on Wednesdays only.

The airport on San Cristobal in Ecuador's Galapagos Islands was closed Monday as investigators study why a plane landed short of the runway Sunday, losing its front landing gear and sliding 770 yards (385 meters). *(AP)*

New York Waterway is planning a new glass-enclosed ferry terminal at the foot of West 39th Street. The company has been operating ferry service between Weehawken, New Jersey, and its 38th Street dock since 1987. *(NYT)*

Washington's T-Shirt Vendors Banned From Federal Parks

Washington Post Service

WASHINGTON — The National Park Service has notified T-shirt vendors that they can no longer sell the shirts on the Mall and at the Vietnam Veterans Memorial, effective Sunday.

Barring a last-minute court reprieve, T-shirts will no longer be available for purchase in federal parks in Washington. T-shirt vendors with valid District of Columbia permits can continue to sell on city streets.

Jan Scruggs, president of the Vietnam Veterans Memorial Fund, said he welcomed the Park Service action.

"I believe we are seeing the beginning of the end of the memorial being used as a retail vending outlet," he said. "This decision will allow the real demonstrators to stay and the T-shirt salesmen to leave."

For years, Mr. Scruggs has urged the Park Service to oust the vendors, who he says have sold T-shirts under the guise of a round-the-clock protest within sight of the Vietnam Veterans Memorial.

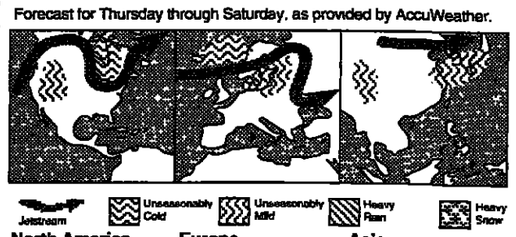
Some protest groups had held such demonstrations for more than a decade, financing their efforts through the sale of message-bearing T-shirts.

In 1995, the Park Service issued new regulations banning the sale of T-shirts in the Washington parks because of what it *called a flea-market atmosphere created by the clothing dis*plays near the monuments and memorials. Critics said the T-shirt ban was unconstitutional because it infringed on freedom of speech.

Several groups, concentrated at the Vietnam Veterans Memorial and on the Mall near the Smithsonian Institution museums, succeeded in having themselves exempted from the ban while their attorney challenged it. Those groups received notice from the Park Service Tuesday.

WEATHER

Forecast for Thursday through Saturday, as provided by AccuWeather.



North America
A storm will produce rainy and cool weather for much of the Northeast Thursday and Friday. It should dry out Saturday, but it will remain cool. Expect sunny, hot and dry weather in the Southwest through Saturday. Pleasant weather will dominate in the Midwest under high pressure.

Europe
High pressure will provide dry and nice weather across much of Eastern Europe Thursday through Saturday. A storm may bring a shower to London Thursday, but dry weather should return for the weekend. It will not be quite as hot in Madrid, but expect it to remain warm from southern Spain to Italy.

Asia
The remains of Winnie will continue to cause heavy rain from the Koreas into Manchuria Thursday and Friday. The storm will head north into eastern Russia Saturday. Hot and steamy weather is in store for Beijing and Tokyo with scattered thunderstorms possible.

Europe

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Algarve	28/82	17/62 s	26/79	18/64 s
Amsterdam	26/79	17/62 s	26/79	17/62 pc
Ankara	23/73	7/44 s	22/71	7/44 pc
Athens	27/80	20/68 s	29/84	20/68 pc
Barcelona	25/77	19/66 pc	27/80	18/66 pc
Belgrade	29/82	15/59 pc	29/82	15/59 sh
Berlin	26/79	15/59 sh	24/75	14/57 pc
Brussels	26/79	17/62 sh	26/79	17/62 pc
Budapest	28/82	15/59 s	27/80	15/59 sh
Copenhagen	24/75	14/57 pc	23/73	14/57 pc
Costa Del Sol	31/88	19/66 s	29/84	20/68 pc
Dublin	24/75	18/64 c	24/75	18/64 pc
Edenburgh	26/79	16/61 pc	26/77	18/61 pc
Florence	28/82	16/61 c	29/82	15/59 pc
Frankfurt	25/77	13/55 s	24/75	12/53 pc
Geneva	28/82	14/57 pc	28/82	14/57 pc
Helsinki	22/71	13/55 pc	23/73	15/59 pc
Istanbul	26/79	17/62 s	27/80	18/64 sh
Kiev	29/84	12/53 pc	22/71	13/55 pc
Las Palmas	28/82	21/70 s	26/79	18/66 s
Lisbon	25/77	17/62 pc	29/79	17/62 pc
London	27/80	18/64 s	27/80	18/64 pc
Madrid	36/97	18/61 pc	33/91	19/61 sh
Mallorca	31/88	19/64 pc	29/84	17/62 pc
Milan	26/79	16/61 c	26/82	17/62 c
Moscow	19/66	12/53 pc	21/70	12/53 pc
Munich	24/75	12/53 pc	24/76	13/55 pc
Nice	24/75	20/68 r	26/79	19/66 c
Oslo	27/80	17/62 pc	26/79	16/61 s
Paris	29/84	16/61 s	27/80	18/61 pc
Prague	26/79	13/55 pc	26/79	12/53 sh
Reykjavik	17/62	11/52 r	14/57	7/44 r
Riga	24/75	15/59 s	23/73	14/57 pc
Rome	30/86	18/64 sh	28/82	18/64 pc
St. Petersburg	23/73	16/61 pc	21/70	14/57 c
Stockholm	23/73	15/59 pc	23/73	15/59 pc
Strasbourg	31/88	17/62 s	29/84	18/61 s
Tallinn	23/73	14/57 pc	21/70	14/57 c
Tbilisi	27/80	17/62 sh	28/82	18/64 sh
Venice	26/79	17/62 sh	28/79	17/62 pc
Vienna	29/79	15/59 pc	25/77	14/57 pc
Warsaw	28/79	11/52 s	23/73	12/53 pc
Zurich	27/80	16/59 pc	28/79	15/59 pc

Middle East

Abu Dhabi	44/111	29/84 s	42/107	29/84 s
Beirut	29/79	21/70 s	28/82	21/70 pc
Cairo	31/88	19/66 s	30/86	19/66 pc
Damascus	33/91	12/53 s	35/95	14/57 s
Jerusalem	25/77	14/57 s	27/80	14/57 pc
Luxor	38/100	17/62 s	38/100	21/70 s
Riyadh	41/106	25/77 s	41/106	27/80 s

Asia

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Almaty	39/102	20/68 s	39/97	22/71 st
Bali	30/86	21/70 s	30/86	22/71 pc
Bangkok	30/86	26/79 t	33/91	26/79 pc
Beijing	32/89	24/75 pc	32/89	24/75 pc
Bombay	28/82	24/75 r	28/82	24/75 c
Calcutta	30/86	23/73 r	30/86	24/75 c
Chiang Mai	32/89	22/71 c	31/88	23/73 sh
Colombo	28/82	24/75 r	29/84	25/77 c
Hanoi	32/89	24/75 pc	31/88	26/79 c
Ho Chi Minh	31/88	24/75 r	29/84	25/77 t
Hong Kong	29/84	25/77 r	30/86	26/79 sh
Islamabad	40/104	27/80 s	39/100	25/77 t
Jakarta	30/86	23/73 pc	31/88	23/73 pc
Karachi	33/91	27/80 pc	33/91	27/80 pc
K. Lumpur	32/89	22/71 pc	32/89	24/75 pc
K. Kinabalu	32/89	23/73 pc	31/88	24/75 pc
Manila	28/82	25/77 t	31/88	25/77 pc
New Delhi	32/89	26/79 sh	34/93	25/77 sh
Phnom Penh	31/88	26/79 r	29/84	25/77 t
Phuket	30/86	26/79 t	33/91	26/79 pc
Rangoon	28/84	23/73 r	29/84	24/75 c
Seoul	32/89	24/75 s	33/91	24/75 pc
Shanghai	32/89	27/80 r	33/91	26/79 pc
Singapore	31/88	23/73 pc	31/88	23/73 pc
Taipei	31/88	26/79 t	33/91	26/79 sh
Tokyo	28/82	25/77 pc	31/88	26/79 pc
Vientiane	31/88	22/71 pc	30/86	23/73 c

Africa

Algiers	31/88	20/68 s	32/89	19/66 pc
Cape Town	18/61	8/43 s	18/61	10/50 c
Casablanca	24/75	19/61 s	25/77	18/64 pc
Harare	27/80	11/52 s	26/79	14/57 st
Lagos	27/80	22/71 c	27/80	24/75 ct
Nairobi	24/75	12/53 pc	26/79	12/53 pc
Tunis	31/88	18/64 s	31/88	18/64 s

North America

	Today High C/F	Today Low/W C/F	Tomorrow High C/F	Tomorrow Low/W C/F
Anchorage	19/66	10/50 s	17/62	9/48 pc
Atlanta	31/88	21/70 t	30/86	19/66 t
Boston	23/73	14/57 pc	24/75	17/62 pc
Chicago	23/73	18/61 c	24/75	11/52 pc
Dallas	37/99	23/73 s	35/95	22/71 sh
Denver	29/84	14/57 t	31/88	14/57 pc
Detroit	23/71	18/61 r	26/79	11/52 sh
Honolulu	31/88	23/73 pc	33/91	24/75 pc
Houston	36/97	23/73 s	33/91	23/73 pc
Los Angeles	31/88	17/62 pc	34/93	18/61 pc
Miami	33/91	26/79 t	31/88	26/79 pc
Minneapolis	23/73	13/55 pc	22/71	11/52 pc
Montreal	21/70	13/55 pc	22/71	13/55 sh
Nassau	32/89	23/73 pc	32/89	26/79 pc
New York	24/75	19/66 pc	23/73	19/66 t
Orlando	34/93	24/75 t	33/91	23/73 pc
Phoenix	42/107	28/82 s	42/107	27/80 t
San Fran	23/73	15/59 c	21/70	11/52 pc
Seattle	27/80	15/59 pc	27/80	14/57 c
Toronto	19/66	14/57 sh	24/75	9/48 r
Vancouver	26/79	16/59 pc	24/75	13/55 sh
Washington	24/75	17/62 t	27/80	19/66 t

Latin America

Buenos Aires	14/57	5/41 pc	14/57	5/41 pc
Caracas	27/80	21/70 pc	28/82	20/68 pc
Lima	18/66	17/62 r	21/70	17/62 pc
Mexico City	23/73	13/55 pc	24/75	13/55 pc
Rio de Janeiro	26/79	21/70 s	26/79	20/68 pc
Santiago	7/44	-4/25 pc	9/48	-1/31 pc

Oceania

Auckland	12/53	7/44 pc	10/50	4/39 sh
Sydney	16/61	8/46 sh	16/61	7/44 pc

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather. All maps, forecasts and data provided by AccuWeather, Inc. © 1997

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THE AMERICAS

U.S. Says It Will Join Talks on Land Mines

But Critics See Hidden Motive in Decision

New York Times Service

EDGARTOWN, Massachusetts — The decision by the Clinton administration to join its European allies in discussion to ban anti-personnel land mines has guaranteed the U.S. a place at the table as the ban is negotiated, but critics remain concerned that the White House is less interested in advancing the prospects for a treaty than in trying to weaken one that it could no longer prevent.

President Bill Clinton has long said that he supports such a ban, but only as a result of a global treaty negotiated through the United Nations. Under the approach the United States agreed to Monday, nations that do not take part in the talks will not be bound by the treaty. China, India and Russia, among other countries, do not plan to take part.

In a statement issued through the press office here, where Mr. Clinton is on vacation with his family, the White House said, "The United States will work with the other participating nations to secure an agreement that achieves our humanitarian goals while protecting our national security interests."

The State Department spokesman, James Rubin, said the United States would insist on "a geographic exception for anti-personnel land mines in Korea," where Pentagon planners count on land mines to blunt any North Korean incursion. He also said the United States would seek to ensure that the treaty does not ban mines whose "primary function is something else," such as blowing up tanks.

Mr. Rubin said that the United States, contrary to some reports, would not insist that the treaty include an exception for so-called "smart mines," which eventually destroy themselves rather than remain active underground for years.

But some supporters of the ban said that other nations were unlikely to make an exception for Korea. Monday's announcement, they said, did not change U.S. policy on land mines.

"I see nothing new, except they're deferring the actual decision of whether they sign until Ottawa," said Caleb Rossiter, the director of Demilitarization for Democracy, a group that released a report Monday arguing that the Pentagon need not rely on land mines in Korea.

Bobby Muller, the president of the Vietnam Veterans of America Foundation, said that because the administration had not changed its basic negotiating position on land mines, Monday's announcement indicated, at best, that it did not want to seem obstructionist.

"The only apparent interest of the United States in going is, one, to be able to say they actually tried and, two, to try to weaken the treaty," Mr. Muller said.

More than 100 countries have already agreed to join in the negotiations. But until Monday the United States had said that it would only "attend" the talks, and not take part.

Instead of the current round of talks, the Clinton administration urged that a ban be negotiated through the United Nations disarmament conference in Geneva.

But efforts to negotiate a ban in Geneva have gone nowhere, administration officials acknowledge, and the administration's critics came to view insistence on that forum as a stalling tactic. Even as the White House said Monday that it would join the Oslo talks, it said that it would keep seeking a treaty in Geneva as well.

As many as 100 million anti-personnel mines may be buried in 68 nations. They kill or maim someone, almost always a civilian, every 22 minutes, according to figures issued by the Red Cross. But Mr. Rubin said that American land mines were not responsible for such incidents.

"The problem isn't American land mines," he said. "The problem is land mines in other countries."

Steve Helber/The Associated Press

ALL TOGETHER — A company of cadets at the Virginia Military Institute marching in front of the barracks in Lexington, Virginia. The women are the first of 30 to attend the school, until now for men only.

Away From Politics

• **The space shuttle Discovery** and its crew of six returned to Earth on Tuesday after a day's delay, carrying a satellite containing valuable information about Earth's ozone layer. The space plane glided through a mostly clear sky and landed at the Kennedy Space Center in Cape Canaveral, Florida, ending a 12-day journey. *(AP)*

• **More people died in fires** in the United States last year than at any year since 1990, the National Fire Protection Association said. It said fires killed 4,990 people in 1996 in the United States, making the U.S. fire death rate the highest in the industrialized world outside the former Soviet bloc. *(AP)*

• **A Chicago company is recalling 5,000 German-made chocolate eggs** after U.S. officials said they pose a serious risk for young children who could choke on the toy figures hidden inside. The Consumer Product Safety Commission on Monday advised parents who have bought the Kinder Surprise chocolate eggs to take the toys away from children under 3. The toys come in pieces that children are supposed to fit together, and the commission said the pieces were so small that young children could easily choke on them. *(AP)*

• **Timothy McVeigh's lead attorney**, Stephen Jones, said he would ask a court to let him stop representing the convicted Oklahoma City bomber. Mr. Jones said Monday he was making the request because of an interview Mr. McVeigh gave to the Buffalo News in New York state in which he said the attorney had "screwed up badly" in conducting his defense, lied to him and got him the death penalty. *(Reuters)*

• **The Food and Drug Administration has approved a surgical implant** to restore movement in paralyzed hands. The electronic device, called Freehand, helps quadriplegics feed themselves, pour coffee and even write letters. The NeuroControl Corp. implant gives hope to quadriplegics who retain some upper-body movement but cannot move their hands. Electrodes in the implant send electric impulses to muscles that force a paralyzed hand to move on command. *(AP)*

• **An accused bank robber** who had been under a suicide watch grabbed a bailiff's pistol as he was leaving court Monday, wounded the bailiff and shot himself to death. William Foster grabbed Wayne Van Dyke's gun in the hallway of a courthouse in Mount Pleasant, Michigan. He wounded Mr. Van Dyke in the struggle, then shot himself in the head, according to the sheriff, Barry DeLau. *(AP)*

U.S. Checking Police Beating Of Immigrant In New York

By Blaine Harden
Washington Post Service

NEW YORK — Invoking the "almost incomprehensible depravity" of police officers who attacked a Haitian immigrant in their custody, U.S. Attorney Zachary Carter announced that the federal government has begun a civil rights investigation of the New York City Police Department for a pattern of tolerating brutality.

The announcement came as the assault on Abner Louima, who was beaten and brutalized with a wooden plunger handle in the bathroom of a Brooklyn police station on Aug. 9, grew into a scandal, tarnishing the reputation of a police force that has won national acclaim in recent years for presiding over a major reduction in crime.

Mayor Rudolph Giuliani, a Republican whose political fortunes have soared as the crime rate has fallen and whose public image is closely tied to aggressive police tactics, moved again to respond to community outrage over the Louima case.

During the weekend, thousands of Haitian immigrants, many carrying toilet plungers, marched in Brooklyn to protest what they said was routine abuse of minorities by a police force that is 76 percent white.

The mayor, who last week ordered wholesale changes in personnel at the Brooklyn precinct where Mr. Louima was tortured, announced an initiative that will require all 38,000 members of the country's largest police force to spend three or four hours over the next six months meeting with community critics and discussing police behavior.

As the mayor was announcing the new program, his police commissioner said that two more officers from the 70th Precinct in Brooklyn had been arrested in the assault on Mr. Louima, 30, a security guard who remains hospitalized with a ruptured bladder and other internal injuries.

All 700 members of the Internal Affairs Division of the police force have been assigned to the case.

Four officers have been arrested, one has been suspended, 13 have been taken off active duty and two top commanders of the 70th Precinct have been transferred.

The two officers arrested Monday allegedly beat Mr. Louima after he was arrested outside a Brooklyn nightclub on charges of assaulting a police officer.

All charges against Mr. Louima have since been dropped and the mayor has twice visited him in the hospital. The two newly arrested officers allegedly beat Mr. Louima on the head with a police radio as he sat handcuffed in the back seat of their cruiser.

Mr. Carter, who is U.S. attorney for the Eastern District of New York, said that the federal government was stepping into the case because the alleged behavior of police officers suggested that they did not fear being disciplined by their superiors.

"Among the most disturbing aspects of this case is that one or more officers are alleged to have committed an act of almost incomprehensible depravity within the police precinct and with the apparent expectation that they could get away with it," Mr. Carter said.

Using a 1994 law that gives the Justice Department the authority to look into brutality in a city police department, Mr. Carter said that federal investigators will attempt to find out if a pattern exists in New York City "of failing to take effective action against officers who are guilty of civil rights violations or otherwise permitting an atmosphere of tolerance for police abuse of authority."

Similar investigations have taken place recently in such cities as New Orleans, Philadelphia and Pittsburgh.

Mr. Giuliani, a former federal prosecutor, said that the Justice Department "has a perfect right to investigate anything they want to."

Exclusion From U.S. Church Accord Stings Episcopalians

By Gustav Niebuhr
New York Times Service

PHILADELPHIA — The leaders of the nation's largest Lutheran denomination have voted to enter into a historic agreement for close cooperation with three other denominations, but they narrowly rejected similar ties with the Episcopal Church.

In approving a document called the Formula of Agreement, the Evangelical Lutheran Church in America decided to bridge gaps within Protestantism — gaps that have existed nearly since the Reformation — between the faith's Lutheran and Reformed traditions.

Although not a merger, the document calls for "full communion" between the 5.2 million-member Lutheran denomination and three other churches, the Presbyterian Church (U.S.A.), the United Church of Christ and the Reformed Church in America, which together account for about 5 million baptized members.

Its practical effect means that the churches retain their creeds and theological traditions but fully recognize each other's sacraments and clergy members and can collaborate in missionary work and major social service projects.

A key provision of the agreement provides for "exchangeability" of clergy members, an important consideration in the case of hundreds of small congregations whose meager finances keep them on the edge of survival.

Under this provision, for example, an isolated Lutheran church that could not afford a full-time pastor could share the services of a minister from a nearby Presbyterian church, thereby possibly freeing up money for purposes like a day-care program or food pantry.

For that reason, the Lutherans' decision to vote down a similar agreement with the 2.5 million-member Episcopal Church — an action by which Lutherans effectively truncated their role as a unifying Protestant force — came as a bitter blow to some.

Bishop Stephen Bouman, head of the Lutherans' Metropolitan New York Synod, a regional body comprising 235 congregations, said that Lutherans and Episcopalians "have churches almost across the street from each other in the South Bronx."

For the benefit of church members, particularly the poor, he said, "We need to share our resources, to share our grass-roots leaders."

The Lutheran-Reformed agreement passed by 839 votes to 193 among voting members attending the Lutherans' Churchwide Assembly, their top policy-making body, which is meeting through Wednesday at the Pennsylvania Convention Center.

A two-thirds majority was necessary.

But the vote on the Lutheran-Episcopal document, called the Concordat of Agreement, fell a mere six votes short of the necessary majority, with 684 members in favor and 351 against. Some members wept with disappointment after the vote. Others said the agreement failed because of persistent fears among some Lutherans of binding themselves to a church in which bishops play so large a role.

Afterward, Lutheran officials, as well as representatives of the other Protestant churches involved, appeared stunned by the mixed results.

In meetings earlier this summer, each of the participating denominations had voted overwhelmingly to endorse their parts of the agreements.

The Episcopalians, who met in the convention center a month ago, voted 9 to 1 in favor of the Concordat.

POLITICAL NOTES

House Panel Names Counsel In Fund-Raising Investigation

WASHINGTON — A former Maryland prosecutor on Tuesday was named chief counsel of the House committee investigating fund-raising abuses in the 1996 presidential campaign.

Dan Burton, Republican of Indiana, the panel's chairman, announced the appointment of Richard Bennett, who served as U.S. attorney for Maryland from 1991 to 1993 and ran for state attorney general in 1994.

Mr. Burton said Mr. Bennett, 50, a partner in a Baltimore law firm, will join the committee later this month to supervise the investigation.

"The committee, the Congress and the country are fortunate that Dick Bennett has accepted my invitation to become our chief counsel," Mr. Burton said in a statement. "His reputation as a legal scholar and a zealous advocate precede him."

His arrival will fill a six-week vacancy created with the abrupt resignation of John Rowley, who complained he had not been given authority to run a "professional, credible investigation." *(AP)*

One School Test Too Many?

WASHINGTON — President Bill Clinton's struggling campaign to create new national tests for students in reading and math is about to hit its next obstacle: House Republicans.

As soon as Congress returns from its summer recess, one of the first priorities of some Republican lawmakers will be to try to derail, even abolish, the groundbreaking testing plan by prohibiting the Education Department from spending any money on it.

The department, which is moving swiftly to develop the tests, has paid little heed so far to congressional skepticism about the idea. But now it has to contend with Representative William Goodling, Republican of Pennsylvania, chairman of the House Committee on Education and the Workforce.

"We already have plenty of testing," Mr. Goodling said recently. "Nearly all of the states have their own testing programs. Why another measurement instrument to tell us what we already know?"

Last month, Mr. Goodling sent his House colleagues a letter detailing how the federal government is already spending more than $500 million this year to help states develop their own achievement exams. The new tests would cost another $22 million. *(WP)*

Quote/Unquote

Newt Gingrich, the speaker of the House, on the tax cut negotiations with the Clinton administration: "People were very worried that we were going to give away the store. But it actually grew during the negotiation with more money going back to the American people who earned it in the first place." *(AP)*

Jury Says Dow Hid Risks of Breast Implants

By Barry Meier
New York Times Service

NEW YORK — In a major courtroom setback for one of America's largest chemical producers, a state jury in Louisiana has found that Dow Chemical Co. had knowingly deceived women by hiding information about the health risks of silicone used in breast implants.

The New Orleans jury, which is hearing the first class-action lawsuit brought against a company involved in the breast-implant industry, also found that Dow Chemical had failed to test silicone adequately before it was used in the human body.

Monday's decision ended the first part of a case that could involve the claims of 1,800 women who received breast implants. In the trial's second phase, expected to start in late September, the same jury will determine whether eight women were injured by the devices. It will also decide what compensation, if any, they should receive.

If upheld, the decision could have significant financial implications for Dow Chemical, which is part owner of Dow Corning, which at one time was the nation's largest implant producer. Dow Corning filed for bankruptcy to protect itself from breast-implant lawsuits.

Executives of Dow Chemical said they believed that the jury's decision was unfounded and that the company would be vindicated in the trial's next phase.

In recent years, tens of thousands of women have claimed that they suffered a host of health problems from silicone-filled breast implants, including hardening of the breast tissue, implant rupture and disabling disorders that resemble autoimmune disorders like lupus or connective tissue disease.

There is abundant evidence that silicone implants ruptured at rates far higher than initially suggested by manufacturers. But the vast majority of recent scientific studies has found that the rate of autoimmune diseases in women with implants is about the same as for the general population.

But the leading plaintiffs' lawyer in breast-implant litigation, John O'Quinn, said Monday's decision could broaden the legal front in claims against Dow Chemical.

"Maybe someone will finally get the message that when evidence is put out in the open under oath, the truth comes out," Mr. O'Quinn said.

A New Breed of Pawnshops Is Booming in the South

By Sarah Jay
New York Times Service

ATLANTA — When Misty Jones, a 23-year-old mother of three, fell behind on a nagging bill this summer she knew just what to do. She brought a battery charger for the family car to Cash America, a local pawnshop, to ask for help.

"It rained for like two weeks," said Ms. Jones, whose husband, a house framer, needs good weather for his work. "We knew that if we came to a pawnshop, they would give us a little loan."

Not long ago, Ms. Jones returned to the shop in a strip mall in Riverdale, a suburb of this city that has long been a mecca of pawnshops, to pay back the loan — $50 plus $12.50 interest. She unfolded her pawn ticket, and not only was she greeted warmly, but an employee even volunteered to carry the battery charger out to her car.

That treatment, such a contrast to the customary image of pawnshops, was no accident. It fit in with the bright and spacious appearance and the young, efficient and affable employees. The merchandise on display was clean and easy to find. Signs directed customers to appropriate areas, whether they were asking for a loan on a pearl necklace or looking for a bargain on a used lawnmower.

"Cash America looks more modern," Ms. Jones said, "and I prefer the ones that don't have guns."

Ms. Jones is the sort of customer who has made an unexpected success of a new breed of pawnshops that have swept across the South in recent years and is beginning to extend its reach. Led by Cash America International, based in Fort Worth, Texas, and the first and largest of the new wave, these modern chains have been simultaneously consolidating this age-old industry and sprucing up its seedy image. In the process, they have changed the landscape of the trade, perhaps one of the last mom-and-pop businesses to be brought into the contemporary era.

"All of us are consolidating the industry," said John Thedford, president of Value Pawn and Jewelry, which has opened 22 pawnshops throughout Florida in the last three years. "We're putting a fresh coat of paint on these locations. Our employees wear shirts and ties and name tags. We're cleaning up the image of this industry."

And the customer-friendly approach of the chains has been contagious. On Peters Street in Atlanta, once known for its many old-style pawnshops, those that remain have more or less mimicked the new wave. As a general manager at one of them said, "You have to treat it like a business: be nice to customers, send out flyers and treat people with respect, as opposed to saying, 'Here, I'll give you $2 for that,' the way some shops used to do."

'We're putting a fresh coat of paint on these locations. Our employees wear shirts and ties and name tags. We're cleaning up the image of this industry.'

Until recently, nearly all local pawnshops lived up to their reputation as dingy, cramped outlets, with merchandise piled to the ceiling, and used on occasion as a dumping ground for petty thieves. But that has ceased to be the norm, thanks to a handful of visionaries who targeted the industry as ripe for a revolution.

Inspired by a sagging economy, a rash of personal bankruptcies, and a growing segment of the population with bad credit that has limited access to the banking system, these entrepreneurs gambled that the pawnshop trade was primed to grow.

And it has. In 1988, when the National Pawnbrokers Association was formed, there were an estimated 6,800 pawnshops nationwide. Now there are more than 15,000. Some of them are owned by Cash America and three other publicly traded chains, EZCorp of Austin, Texas; First Cash Inc. of Arlington, Texas, and U.S. Pawn in Westminster, Colorado.

But scores of others are also owned and operated by individuals who have followed Cash America's formula of acquiring new shops, improving customer service, computerizing operations and remodeling the stores in a conscious effort to dispel the old perceptions.

These new leaders are shaping the industry in several ways, from pressing state legislators for more regulation to distancing themselves from the old icons. In Florida, for example, the traditional symbol of three balls — used from the days of the Medici — is absent from all Value Pawn and Jewelry signs. In New York, the trade group for the industry changed the very name of the business, from pawnbroker to "collateral loan broker."

The vast majority of pawnshops are clustered in the South, mostly because state regulations allow them to charge more favorable interest rates. For example, in Florida and Texas, which each support more than 1,000 pawnshops, interest rates and service fees can run to 20 percent a month, and Georgia pawnshops can charge as much as 25 percent. In contrast, New York City's rates are held at 3 percent, which explains why the city has only about 70 licensed pawnshops, down from 150 in the 1960s.

There is no federal pawnshop law, so it will fall to state legislators to determine the future growth of the industry, according to John P. Caskey, an associate professor of economics at Swarthmore College. "There's a huge potential market," he said. "The key is to change the regulations."

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Hordes of Cambodians Flee Village Under Siege

Ousted Leader's Troops Make Last Stand

The Associated Press

KHUENG HOEICHUENG, Thailand — Machine gun and mortar fire resounded Tuesday near the last stronghold of troops loyal to Cambodia's ousted prime minister, hours after tens of thousands of villagers fled to Thailand to escape the battle.

The opposition soldiers — with nowhere left to run after being chased across Cambodia for the past month — are making a last stand at O'Smach, about five kilometers (three miles) from the Thai border.

But they face almost certain defeat by the army of the Cambodian coup leader, Hun Sen, now that villagers who were shielding them have fled, a high-ranking Thai Army officer said Tuesday.

An estimated 35,000 Cambodians streamed across the border into Thailand late Monday and early Tuesday.

The officer, who spoke on condition of anonymity, said soldiers loyal to Hun Sen, who ousted Prince Norodom Ranariddh in a coup July 5 and 6, had been reluctant to launch a full-scale attack on O'Smach for fear of high civilian casualties.

But with the villagers now safe inside Thailand, there was nothing to hold Mr. Hun Sen's troops back.

"Ranariddh's troops are in danger because they no longer have any people to protect them," the Thai officer said.

Machine-gun fire could be heard from the direction of O'Smach Tuesday morning. Later, mortar fire was exchanged.

Villagers from the area wheeled their possessions on oxcarts, carrying chickens and herding pigs on their way across the border in the dark.

Refugees made their way to a temporary camp at Khueng Hoeichueng, just inside Thailand, where most bedded down on mats in an open field.

Water supplies, toilets, and medical facilities were in place at the 20-acre (8-hectare) site, and the Red Cross was providing instant noodles for food and plastic sheets for shelter.

Only about 200 civilians were believed still in O'Smach, plus about 35 malaria patients stranded in the hospital. The Thai Army sent two trucks into O'Smach to evacuate about 50 people.

During the past month, Mr. Hun Sen's troops routed Prince Ranariddh's soldiers from Siem Reap, more than 95 kilometers from the border to the edge of Thailand.

"O'Smach is the last village," the Thai officer said. "After this, it will be finished."

In the Cambodian capital of Phnom Penh, Mr. Hun Sen announced a plan Tuesday to return security and stability to Cambodia before elections promised next year. In a four-hour broadcast aired on all Cambodian radio and television stations, Mr. Hun Sen said his interior and defense ministries had been told to crack down on rampant crime.

Apichart Weerawong/Reuters

Cambodians fleeing into the Thai border town of Karb Cherng on Tuesday to escape the fighting in O'Smach.

■ Hun Sen Speaks Out on ASEAN

Mr. Hun Sen criticized President Fidel Ramos of the Philippines for meeting Prince Ranariddh and warned that his country would not join ASEAN if it had to wait until next year for membership, Reuters reported from Phnom Penh.

Mr. Hun Sen said he was still interested in joining the Association of South East Asian Nations, but that if membership was delayed until after the 1998 elections in Cambodia, he did not want any part of the regional club. ASEAN delayed Cambodia's membership after Mr. Hun Sen seized power in July.

BRIEFLY

Typhoon Batters China, Killing 6

BEIJING — The typhoon designated Winnie tore across southeastern China on Tuesday, killing at least six people, injuring hundreds and toppling thousands of homes, officials said.

But casualties were limited because local officials had evacuated nearly a million people from coastal towns and villages in the direct path of the typhoon, which killed at least 31 people and left 13 missing in Taiwan.

Six people died in Manila and 25,000 fled their homes Tuesday as the fringes of the typhoon hammered the Philippine capital with torrential rains, officials said. The downpour that began Monday triggered widespread floods and power outages, forcing the closure of government offices, businesses, schools and financial markets and causing horrendous traffic jams.

Philippine Airlines canceled four international and 15 domestic flights, the Manila airport office reported, and several other departures were delayed when crew members arrived late. *(Reuters)*

Ex-Party Boss's Son Convicted in China

BEIJING — China has sentenced the son of the capital's disgraced former Communist Party chief to 12 years in prison for corruption, officials said Tuesday.

The No. 1 Intermediate People's Court in Beijing convicted Chen Xiaotong, son of the former city party boss and Politburo member Chen Xitong, of taking bribes and misusing public funds, a court spokesman said, adding that no appeal was filed against the June 28 verdict and that Chen Xiaotong was already serving his sentence.

The spokesman refused to comment on whether authorities planned to press charges against Chen Xitong, who was purged in April 1995 after a multimillion dollar corruption scandal. *(Reuters)*

Elephants Protest

NEW DELHI — Forty elephants marched through the streets of a northeast Indian town carrying protest signs in their trunks in a demonstration against a law that has put them out of work.

The lumbering Sunday protest was held in Kailasahar, a town in Tripura state where nearly 100 elephants have been pushed out of work by a recent Supreme Court order, the Press Trust of India said Tuesday. The order was part of a judgment prohibiting indiscriminate logging in the fast-depleting forests of the area by timber merchants.

The protest was organized by elephant owners who loan their animals to timber merchants. It ended with an elephant giving to the local administrator a petition seeking a reversal of the court order. *(AP)*

For the Record

Two farmers who have refused to sell their land for more than three decades to make way for a second runway at Tokyo's overcrowded main airport agreed Tuesday to negotiate selling their property. But officials say the airport is still a long way from getting a new runway. Four other farmers with land essential to building a runway have not yet agreed to negotiate. *(AP)*

Government jets and artillery pounded Tamil Tiger positions in northern Sri Lanka on Tuesday in fighting that killed at least 57 people, the military said, as soldiers resumed their drive into a jungle area held by the guerrillas. *(AP)*

Indonesia Considers Buying Radar Balloon to Patrol Gas Field

By Michael Richardson
International Herald Tribune

SINGAPORE — Indonesia is discussing the purchase of a long-range U.S. radar balloon to use with newly acquired reconnaissance aircraft to protect its giant Natuna gas field in the South China Sea.

Analysts said Tuesday that the move was another warning to China not to question Indonesian ownership of the gas project, which is being developed with U.S. companies at a cost of about $40 billion.

They said it also was intended to reassure Western and Asian partners in the project, and regional countries negotiating to buy the gas for power generation and industrial use, that it will go ahead as scheduled despite concerns that Beijing may claim ownership.

China in 1995 assured Indonesia that it had no claim to the Natuna Islands, 1,250 kilometers (800 miles) north of Jakarta.

But Beijing failed to give such an assurance for the offshore gas field, which is about 225 kilometers northeast of Natuna, the biggest island in the group.

Official Chinese maps show the gas field falling within a line marking Beijing's claimed "national boundary" in the South China Sea, a vast claim that also includes the disputed Spratly Islands several hundred kilometers to the north.

Indonesia's deputy air force chief, Air Vice-Marshal Djatmiko, said recently that the military planned to tether a radar balloon high above the gas field, Southeast Asia's largest, to detect possible incursions of foreign ships and planes into Indonesian territory.

Quoted by Indonesia's official news agency, Antara, he said that the balloon carrying the radar was bigger than a Boeing 747 jumbo jet, and that discussions were under way to buy it from the United States.

The head of Indonesia's western fleet command, Rear Admiral Achmad Sutjipto, also said recently that some of the six Nomad-22 reconnaissance planes acquired from Australia would be used to safeguard the Natuna gas field.

"They will serve as extensive eyes and ears for the warships," he said.

Indonesian military commanders have said that Hawk jet fighters, 24 of which were bought recently from Britain, and Sukhoi Su-30K fighters, 12 of which were ordered this month from Russia, would be used to defend the gas field.

The project — 50 percent owned by Exxon Corp. of the United States; 26 percent by Mobil Corp, another American company, and 24 percent by Pertamina, Indonesia's state petroleum company — is considered vital to national interest by the Indonesian government.

The field is estimated to contain 45 trillion cubic feet of recoverable gas and is scheduled to start production in 2002. Likely buyers of the gas include Singapore, Thailand, Japan, South Korea and Taiwan.

Indonesia is the world's largest producer of liquefied natural gas, with an output of over 22 million tons a year worth about $4 billion.

Japan, the world's leading buyer of liquefied natural gas, imports 43 million tons a year, with 40 percent coming from Indonesia.

Pertamina plans to reduce its stake in the Natuna project to 11 percent from 24 percent. Officials say that a Japanese consortium of oil and trading companies is negotiating to buy the 13 percent share from Pertamina.

Analysts said that Indonesia wanted as many foreign companies and countries as possible to be involved in the project to discourage China from doing anything to disrupt it.

"With the U.S., Japan and so many other international interests involved, Beijing will know that there will be a very powerful coalition against them if they try to upset the status quo," said Jusuf Wanandi, chairman of the supervisory board of the Center for Strategic and International Studies in Jakarta.

U.S. and Japan Cover Taiwan In Arms Study

Reuters

TOKYO — Japan's government spokesman said Tuesday that a security review with the United States covered possible conflicts across the Taiwan Strait as well as on the Korean Peninsula.

Chinese state media reacted quickly, accusing Japan of trying to preserve the gulf between Beijing and Taipei and denouncing the decision as interference in China's internal affairs.

Since last year, Tokyo and Washington have been reviewing their 1978 "Guidelines for Defense Cooperation." They include provisions for Japan to support the U.S. military in regional conflicts.

"The 'Far East' covered in the U.S.-Japan Security Treaty covers the area north of the Philippines that includes the Taiwan Strait and the Korean Peninsula," the chief cabinet secretary, Seiroku Kajiyama, said at a news conference.

"I am not aware that the revision includes a change in the fundamentals of the security pact," he added.

China has repeatedly warned Japan not to include Taiwan as a region covered. "We express serious concern about the remarks and ask the Japanese government to make a clear-cut clarification," said the Chinese Foreign Ministry spokesman, Shen Guofang, on Tuesday.

Tokyo should abide by the terms of its commitments under its peace treaty with China, state radio quoted Mr. Shen as having said.

In an interim report in June on the review, the United States and Japan did not specify a geographical limit to be covered.

The interim report said that Japan might send warships to take part in UN-sanctioned naval blockades and mine-sweeping operations during an armed conflict "surrounding Japan."

A final report is due in September.

On Sunday, Mr. Kajiyama made similar remarks about the review of the guidelines in a television talk show, drawing sharp criticism from Beijing.

Prime Minister Ryutaro Hashimoto of Japan plans to visit China next month.

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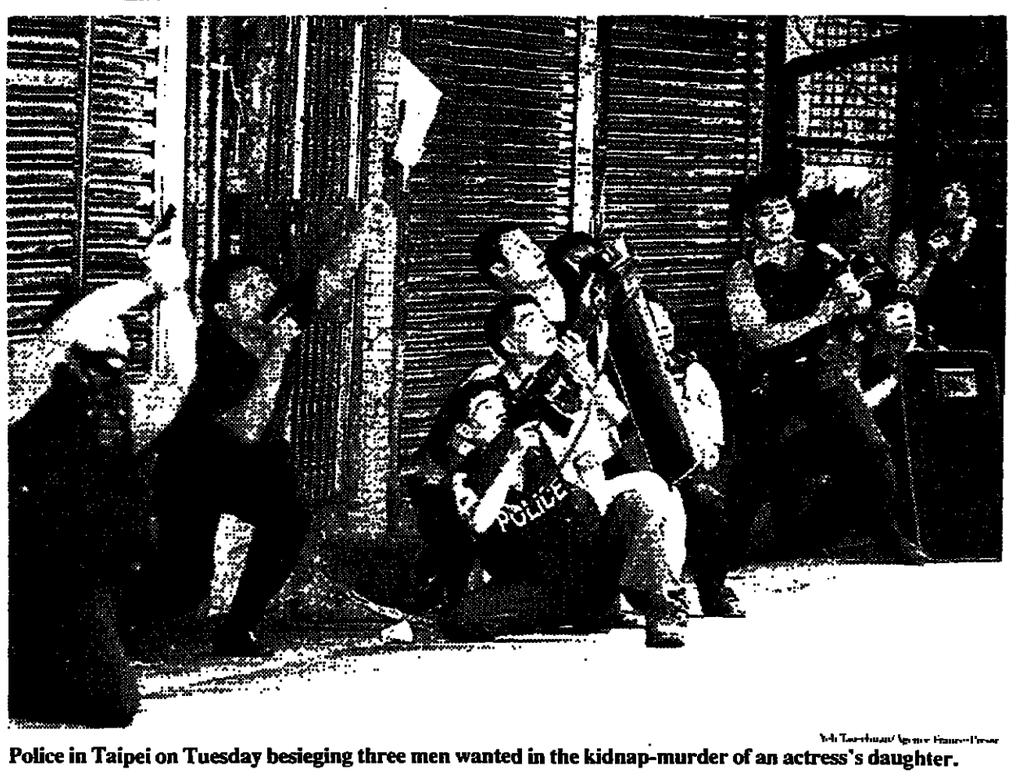

Yuki Tsuchiya/Agence France-Presse

Police in Taipei on Tuesday besieging three men wanted in the kidnap-murder of an actress's daughter.

Taiwan Police Kill Suspect in Murder

Reuters

TAIPEI — Taiwan police on Tuesday shot and killed a man suspected of kidnapping and murdering the teenage daughter of a popular actress in a crime that triggered mass protests and caused several officials to resign.

One policeman was killed and three were wounded during the gunfight. A passer-by was also wounded.

Police identified the dead suspect as Lin Chun-sheng and said he was shot 10 times and died on the way to hospital. Two other suspects escaped.

A live television broadcast showed dozens of officers with bulletproof vests exchanging fire with the gunmen while hundreds of people stopped to watch.

The suspects, sought for the abduction and murder in April of Pai Hsiao-yen, the 17-year-old daughter of an actress, Pai Ping-ping.

Pai Hsiao-yen, whose father was the late Japanese comic book artist Ikki Kajiwara, was kidnapped on April 14 on her way to school.

Her kidnappers chopped off half of her left little finger, sent it to her mother and demanded a $5 million ransom. The girl's body was later found floating in a river. She had been strangled.

KOREA: *Energy Project Is a Milestone*

Continued from Page 1

A South Korean official at the ceremony, Chang Sun Sup, called the deal "a kind of test or touchstone to know if the divided Koreas can work together."

While the immediate goal of the project is to pull the plug on North Korea's nuclear weapons ambitions, the groundbreaking Tuesday has a far broader importance. It is being heralded as a significant opening by North Korea to the outside world and a sign of hope for future agreements between Pyongyang and a skeptical international community.

Eventually, thousands of South Koreans are expected to work and live at the construction site in North Korea — a remarkable breakthrough for the isolated country. U.S. officials said they could not underestimate the impact on North Korean laborers in working alongside South Koreans and learning about how the South has prospered. The North Korean people are taught that South Korea is far poorer than the North.

For half a century it has been impossible for families on either side of the military zone that divides the Korean peninsula to call each other on the phone, but because of the project new phone lines were installed this month. The first mail between the two nations in decades was delivered this week: a letter from officials at the construction site to a construction company in Seoul. Many hope that increased contact between North and South Korea will help forge what is seen as an inevitable unification of the Korean peninsula. "It will bring in a Western presence and expose North Korea to Western technology," Bill Richardson, the U.S. representative to the United Nations, said in a interview here last week. "It also shows that the West is keeping its word."

The groundbreaking Tuesday is perhaps the most important sign recently of grudging engagement by North Korea. While it continues to drag its feet on proposed four-party peace talks with the United States, South Korea and China, it has allowed U.S. teams to enter the country to search for the remains of U.S. soldiers killed in the Korean War. And Tuesday, the International Monetary Fund said it was sending a fact-finding mission to Pyongyang this month, at North Korea's invitation.

The North Korean government would only allow a small pool of journalists into North Korean for the ceremony, and they were not allowed to stay overnight. All foreigners who attended had to go by boat from South Korea, and no one was allowed to stray far from the site.

According to reporters at the site, the port where their ship landed was drab and filled with rusted ships. The only thing in town that appeared to be freshly painted was a large portrait of the country's national founder, Kim Il Sung.

Stephen Bosworth, executive director of Korean Peninsula Energy Development Organization, said Tuesday that the North Koreans viewed the project as "a window to the outside world." Mr. Bosworth is widely expected to fill the vacant post of U.S. ambassador to South Korea. Although South Korea and Japan are financing most of the reactor project, Mr. Bosworth said the United States had contributed $80 million to $90 million. Some in Washington have questioned the wisdom of that expenditure.

Many congressional Republicans have said that the United States should take a tougher line toward North Korea and that the United States has no guarantees that Pyongyang will not try to add nuclear weapons to its massive stockpiles of chemical and biological weapons.

Panel Seeks Advice On Pakistan Unrest

Agence France-Presse

ISLAMABAD — A high-level commission set up by the Pakistan government to promote sectarian peace held its first meeting here Tuesday, following about 150 killings in recent months.

The meeting reviewed the law and order situation and decided to seek "help and guidance" from religious scholars in the task, an official statement said.

The commission, co-chaired by Religious Affairs Minister Raja Mohammed Zafar-ul-Haq and Interior Minister Shujaat Hussain, includes MPs, religious leaders and senior government officials.

The meeting comes amid a lull in the spate of religious violence which has shaken Pakistan.

SINGAPORE: *Goh Gives Testimony*

Continued from Page 1

denies using the courts to silence the opposition. It is a question, Mr. Goh has said, of challenging allegations that would undermine his ability to govern.

The case against Mr. Jeyaretnam is the second this year against a Workers' Party member. As in the first, the allegations stem from an election campaign in which the PAP turned all its weapons on Tang Liang Hong.

They accused Mr. Tang of being "an anti-Christian, Chinese chauvinist" who endangered racial harmony in predominantly ethnic Chinese Singapore, which has substantial minorities of Malays and Indians.

Mr. Goh and his colleagues sued Mr. Tang over a variety of comments, including the lying charge. Mr. Tang fled Singapore, saying his life had been threatened, and did not return to defend himself. The PAP leaders won a record 8.08 million Singapore dollars ($5.65 million) in damages in the case and then sued Mr. Jeyaretnam, accusing him of endorsing Mr. Tang's charge of lying.

"Mr. Tang Liang Hong has just placed before me two reports he has made to police against, you know, Mr. Goh Chok Tong and his people," Mr. Jeyaretnam told the election rally. Mr. Goh's counsel, Tom Shields, said the comment amounted to an endorsement of Mr. Tang's charges, which had been widely publicized.

"It is as if Tang had prepared a Molotov cocktail and gave it to Mr. Jeyaretnam and at that precise moment hurled it," Mr. Goh said.

But Mr. Carman said Mr. Jeyaretnam had not endorsed Mr. Tang's statements and questioned why his client was being sued. Was it because Mr. Jeyaretnam, a lawyer, had acted for Mr. Tang? Was it in any way connected to this? Mr. Carman asked.

"If you are suggesting that we took action because he appeared for Mr. Tang, that is completely wrong," Mr. Goh said.

But Mr. Carman said Mr. Goh had filed an affidavit earlier arguing that Mr. Jeyaretnam's alleged defamation was motivated by malice because "of his conduct when he acted as counsel for Mr. Tang."

"I really have to say you have not been truthful with the courtroom in the last five minutes," Mr. Carman told Mr. Goh, who denied the charge but conceded there was "a connection" between the suits and Mr. Jeyaretnam's defense of Mr. Tang.

Singapore newspapers that carried comments from both sides of the controversy were not named in any of the libel suits. Mr. Carman asked Mr. Goh if Singapore newspapers — all owned by one company — were really "free."

"It is a free press," Mr. Goh said, "but it is a free and responsible press."

He said the government retained the right of reply to any reports with which it disagreed.

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EUROPE

Successful Day on Mir As Crew Plans Repairs

Russians Expect Computer to Operate By Wednesday, and Then the Spacewalk

By David Hoffman
Washington Post Service

MOSCOW — The Mir space station, firing small booster rockets, returned to a stable alignment with the sun Tuesday as the Russian-American crew replaced a defective data-processing unit and prepared to restart the main computer that failed Monday.

Russian officials said they hoped to have the computer back in operation by Wednesday, which would allow two Russians and an American on board to move ahead later this week with a long-awaited internal spacewalk to carry out major repairs on the damaged vessel.

Without the computer and related guidance system, the Mir has to use special rockets to keep its solar panels properly angled to the sun to generate power. The craft has been running on reduced power since a June 25 accident. The power is also needed to run the navigational aids which keep the station in correct alignment, but have been shut off since Monday's failure of the main computer.

A computer device, the central data exchanger, that is on board the ship went out just as the crew was attempting to dock with a Progress freighter. Russian officials and the National Aeronautics Space Administration said the broken device shared information between the central computer and the Mir's sensors, jets and navigational aids. The crew had an extra device on board and replaced it Tuesday.

Viktor Blagov, deputy flight director, told Reuters that the crew was to begin testing the repaired computer Wednesday, when there was enough power in Mir's batteries. "We may find out that more computer sections need to be replaced," he said. If there were no further problems, he predicted the crew would try to put the computer back into action soon so that it could automatically guide the space station.

Although the latest glitch has not endangered the lives of the three-man crew, it interrupted plans for the critical spacewalk to improve the electrical supply on the aging craft. Mr. Blagov said the spacewalk inside a damaged module may be conducted Thursday, or possibly Friday. NASA said it would be Friday. The aim of the spacewalk is to restore additional power to Mir by replacing cables severed after the accident.

Mr. Blagov told the Interfax news agency that a medical examination of the crew indicated that they are well. The previous commander, Vasili Tsibliev, complained of heart complications after several weeks of highly-stressful attempts to keep Mir aloft. He was at the controls when the ship was rammed June 25 by a cargo vessel.

When Mir runs low on electricity, many of the systems are shut down to conserve power, making life aboard the 11-year-old craft unpleasant for the crew, who must periodically fire rockets on the Soyuz escape vehicle, attached to Mir, to keep the station properly aligned to the sun. It is also difficult and often impossible to carry out scientific experiments without power. The main oxygen-generating system, Elektron, also remained turned off Tuesday while Mir attempted to accumulate more power from the sun. The crew has been using back-up canisters for oxygen.

Mr. Blagov complained, in comments to Reuters, that the Russians have been using equipment until it breaks and that the computer crash Monday was caused by a lack of financing. Launched in 1986, Mir was supposed to serve only five years in space.

"We are saving a lot of money on this scheme, but we really have to decide soon whether we need safety or money-saving," Mr. Blagov said.

Some workers at Mission Control have not been paid for months. But officials there have insisted that finance problems have not threatened safety.

Mr. Blagov said the broken computer part had not been changed in almost 11 years.

A Canadian Vandal's Painted Protest

Clement Allard/The Associated Press

A worker cleaning paint off a statue of Charles de Gaulle in Quebec City after it was vandalized Tuesday, on the 55th anniversary of the World War II raid on Dieppe. A note found nearby said: "The blood of Canadians was spilled at Dieppe."

Police Chief Is Seized In Serb Power Struggle

Hard-Liners Later Release Official

Agence France-Presse

BANJA LUKA, Bosnia-Herzegovina — The power struggle for control of the Bosnian Serb republic continued Tuesday when a police chief loyal to President Biljana Plavsic was briefly arrested by security officers from a rival faction.

The new chief of the Banja Luka police, Milan Sutilovic, had been at his desk less than two hours when officers from the Bosnian Serb state security service arrested him, but he was released after refusing their demands that he resign, a senior policeman said.

On Sunday, Mrs. Plavsic's special police units seized the police headquarters in a move seen as stepping up the tensions between herself and hard-liners who support her predecessor, Radovan Karadzic, who has been indicted for war crimes. Mr. Karadzic is based in Pale, in the east of the country.

Following Sunday's seizure, British peacekeepers from the NATO-led Stabilization Force in Bosnia and United Nations police ejected the special police unit, and UN investigators began sifting evidence of human-rights abuses committed in the building.

However, after the peacekeepers and UN officials left Monday night, Mrs. Plavsic signaled that the headquarters was now under her command by appointing Mr. Sutilovic as the new chief.

But Pale apparently struck back, with the security officers escorting Mr. Sutilovic from the building at 9.30 A.M. past guards who said they did not realize what was happening.

Mrs. Plavsic's nearby presidency building was ringed Tuesday morning by Bosnian Serb troops armed with machine guns and by special police units, both of which remain loyal to the president.

■ Wiretapping Evidence Found

Mike O'Connor of The New York Times reported from Sarajevo:

Once again demonstrating a more assertive stance by Western officials in Bosnia, some 300 British soldiers and UN workers searched a police station for evidence of electronic eavesdropping on the president of the Serbian half of the country by her political rivals.

They found extensive, sophisticated listening equipment, boxes filled with audio tapes, and copies of faxes sent to and from President Plavsic's office, foreign officials said.

"There is substantial evidence that the president's phones were tapped, her meeting rooms were bugged by the police," a foreign official said after the search of the five-story police headquarters in Banja Luka, the largest city in Bosnian Serb territory. "They were running an espionage center."

North Atlantic Treaty Organization officers said they had also found weapons and ammunition beyond what police forces are allowed under NATO rules.

The action Monday was the most recent case in which Western officials and NATO-led forces have intervened in ways that they have previously said are beyond their powers.

On Saturday, the international agency responsible for overseeing civilian aspects of the peace agreement interceded forcefully for Mrs. Plavsic by issuing what amounted to a decree that she had the right to dissolve the legislature and hold new elections.

Last week, NATO officers notified Bosnian Serb paramilitary police units that they must either disband or follow strict limits on their activities.

And in July, American soldiers began round-the-clock protection for several hundred Muslim and Croatian refugees returning to homes in a Bosnian Serb area, and British soldiers arrested a war crimes suspect and killed another who they said had resisted arrest.

This time, as many as 300 British troops took over the Banja Luka police headquarters and then conducted a search for proof of what one international official described as "undemocratic behavior."

The official, who spoke on condition of anonymity, said it appeared that the police were working for a group of Mrs. Plavsic's hard-line political rivals.

While largely a figurehead, Mrs. Plavsic is president of the Serbian entity in Bosnia. She has been locked in an increasingly bitter power struggle with hard-line politicians, including her predecessor, Mr. Karadzic. He and his allies wield much of the real power among Bosnian Serbs.

Last month, Mrs. Plavsic, with the support of Western officials, asserted herself against Mr. Karadzic and his associates, dissolving the Bosnian Serb Republic's legislature. That set off a heated legal challenge. The Constitutional Court of the republic ruled on Friday that Mrs. Plavsic has acted illegally, but Western officials in effect overturned the decision.

Count Matuschka, German Vintner, Is Dead at 59

The Associated Press

WIESBADEN, Germany — Count Erwein Matuschka Greiffenclau, 59, one of the best-known German wine makers, was found dead from a gunshot wound Tuesday, a day after his family-run business declared bankruptcy.

Police said he apparently shot himself in the head with his 9-mm handgun.

Count Matuschka's body was found on a bench about 200 meters (660 feet) from his Schloss Vollrads property in Rheingau, the wine-growing region west of Frankfurt. The police found a farewell letter and a will at his home.

The Matuschka vineyards have been in the family for 27 generations. Over the past three years, however, the business fell an estimated 20 million Deutsche marks ($11 million) into debt, and Count Matuschka declared bankruptcy Monday.

Legh Knowles, 78, Musician And California Wine Promoter

NEW YORK (NYT) — Legh Knowles, 78, a trumpet player in the Glenn Miller Orchestra who later became chairman of Beaulieu Vineyard, one of California's most famous wineries, and a passionate spokesman for all California wines, died of cancer Friday at a convalescent home in Napa, California.

Just out of the air force in 1948, Mr. Knowles answered an advertisement from the California Wine Advisory Board, a trade organization, and made a career promoting California wines.

Mr. Knowles played with a number of bands before entering the service in 1942 but always fondly remembered his stint with Glenn Miller.

An Unknown Pilot Finally Identified

Toulouse to Honor an American Killed in Action There 53 Years Ago

The Associated Press

PARIS — Mary Haley Poole never thought she would know just what happened to her older brother Daniel, a U.S. pilot who perished in France during World War II.

After months of research on two continents, reporters for the French newspaper La Depeche du Midi pieced together the final flight of Second Lieutenant Daniel Haley, Mrs. Poole said, and on Wednesday, city officials in Toulouse will unveil a stone pillar inscribed with the name and rank of Lieutenant Haley, who died Aug. 17, 1944, while on a bombing run over an airport held by the Germans.

"I never thought we would find out this mystery," Mrs. Poole, 72, said by telephone from Toulouse. "It's overwhelming."

Mrs. Poole said U.S. armed forces officials told her parents that Daniel, then aged 20, was missing in action. After the war ended, the MIA tag was automatically changed to KIA — killed in action.

A body was eventually found and buried in a military cemetery in Liege, Belgium, but the family was never entirely certain and never learned the circumstances of his death from the U.S. military, she said.

Several months ago, 53 years after his plane was shot down, Mrs. Poole was contacted by reporters from La Depeche du Midi, who had researched the story for the Toulouse daily.

Dozens of people had seen the Lockheed P-38 at low altitude during a strafing and bombing mission over the Toulouse airport in 1944, she said. The story of the crash was well known in Toulouse, in southwest France, and Lieutenant Haley was referred to as the "unknown pilot."

The account in La Depeche du Midi was based on the reporters' research in U.S. military archives and conversations with Roger Weatherbee, one of two surviving pilots of the three-plane mission, Mrs. Poole said. Several witnesses contacted La Depeche du Midi after a series of articles was published, adding more detail.

The plane, which had taken off from Corsica, was hit on the right engine and the pilot tried to bring the nose of the plane up so he could jump, Mrs. Poole said she had learned.

But the maneuver failed and he rolled the plane over to try and bail out upside down. The pilot's parachute opened, but he landed in trees and then plunged head first into a concrete wall — a fall so hard no one could have survived.

The Germans swooped in and carried off the body wrapped in the parachute, leaving the identity of the pilot a mystery.

Mrs. Poole said that the reporters from La Depeche du Midi did research at U.S. air force archives in Montgomery, Alabama, which led them to Mr. Weatherbee. Mr. Weatherbee, now 72 and active in veterans' reunions, helped the reporters locate Mrs. Poole, who lives in Charlotte, North Carolina.

Toulouse city officials decided to honor Lieutenant Haley by erecting a stone slab this week with his name and rank on the site where his plane crashed. The city is also considering renaming a street in his honor.

Mrs. Poole is accompanied by her two daughters, and Mr. Weatherbee also came to Toulouse for the event.

BRIEFLY

Bonn Resumes Holocaust Talks

BONN — Under fire from the United States and Jewish groups, German officials resumed talks Tuesday on compensating Holocaust survivors in Eastern Europe for losses suffered during the Nazi era.

Germany has paid about 100 billion Deutsche marks ($55 billion) to Holocaust survivors in the West, but those living in the Soviet bloc were unable to apply for compensation during the Cold War.

After Germany was reunited, Bonn offered one-time payments to Holocaust survivors in Russia and parts of Eastern Europe, but Jewish groups and the U.S. government say that has not been enough.

"The matter is urgent because the average age of the survivors is over 80," said Israel Singer, general secretary of the World Jewish Congress and the chief Jewish delegate to the talks. "We're dealing with critical leftover issues."

Jewish groups want Holocaust survivors in the former Soviet bloc to be eligible for monthly German pensions of 500 marks, the same as Nazi victims in the West. Estimates of the number of Holocaust survivors in Eastern Europe range from 15,000 to 40,000.

Chancellor Helmut Kohl's government has pledged to find a solution this year. The two-day round of talks is the latest of a series since German unification in 1990. *(AP)*

Germans Seize Beef Imports

HAMBURG — More than 600 tons of British beef were illegally imported to Germany between February and July in violation of a European Union ban, the public prosecutor's office said here Tuesday.

The announcement came a day after customs officials in this port city said that 60 tons of beef originating in Britain were seized in Germany last week in violation of the EU export ban imposed because of "mad cow" disease.

The public prosecutor's office said 40 beef shipments from Britain reached Germany during the period. Part of the imports were resold to German companies. A Hamburg importer told investigators he believed the beef originated in Ireland, which is not affected by the ban imposed last year.

According to documents seized at the importer's offices, about 440 tons were re-exported to Eastern European countries. Of these, 116 tons were stored for a limited period and resold to four companies in the German states of Bavaria, Lower Saxony and Saxony. *(AFP)*

3 Russians Seized in Georgia

TBILISI, Georgia — Three Russian peacekeepers serving in the former Soviet republic of Georgia have been taken hostage, the Russian Embassy said Tuesday.

An embassy spokesman, Alexei Savinski, said that two officers and a soldier had been captured by Georgian gunmen near the town of Rukhi, in a security zone between Georgia and its breakaway province of Abkhazia.

The 1,500-member Russian peacekeeping force patrols a buffer zone between Georgia and Abkhazia. The two sides fought a bloody ethnic conflict in 1992-93. Abkhazia has run itself as a de facto independent state ever since but has not gained international recognition.

Tamaz Nadarishvili, head of the former Georgian-installed government in Abkhazia, now in exile, said the hostage-takers were demanding the bodies of two Georgians he claimed had been killed by Abkhazian police units on their side of the buffer zone.

Violent incidents are common in the security zone and both the Russian peacekeepers and the Abkhazians blame Georgian sabotage groups for a spate of mine-laying incidents and other armed attacks.

President Eduard Shevardnadze of Georgia has vowed to regain control over Abkhazia, but he and the separatist leader, Vladislav Ardzinba, last week disavowed the use of force to resolve the issue. *(Reuters)*

WORLD WATER:
—
Financing for the Future

Istanbul, September 30 & October 1, 1997

The International Herald Tribune is convening a major new conference, "World Water: Financing for the Future", on September 30 and October 1, 1997.

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Herald Tribune
THE WORLD'S DAILY NEWSPAPER

Rocket Barrage Lifts Israel's Border Tension to New Level

By Douglas Jehl
New York Times Service

JERUSALEM — The conflict in southern Lebanon reached a tense new stage Tuesday after Islamic guerrillas fired dozens of Katyusha rockets into northern Israel to avenge a deadly attack Monday by militiamen aligned with Israel.

The cross-border barrages were by far the heaviest since clashes between Hezbollah guerrillas and Israeli forces in southern Lebanon erupted into full-scale fighting in April 1996. Rockets rained down across Israel's northern border, causing only minor damage and injuries, but sending those who live in border settlements scurrying by the thousand into underground shelters.

At least for now, it appeared that Israel had chosen to avoid retaliation. While warning sternly that Israel stood ready to protect its civilians, Prime Minister Benjamin Netanyahu said Tuesday that "the immediate task is to stop the cycle of violence."

Preoccupied by Israel's unraveling partnership with the Palestinians, Mr. Netanyahu and his aides appeared to have little eagerness for sending Israeli forces deeper into Lebanon now. Last year's air and artillery onslaught, which lasted 17 days, was waged by Mr. Netanyahu's predecessor, Shimon Peres, and it did not achieve clear results for either side.

Tuesday, for the first time since the April 1996 cease-fire, in which all sides agreed to halt attacks on civilians, Hezbollah openly declared that it had carried out what it called rocket attacks on "north occupied Palestine."

And the prime minister's statement was unambiguous. As relayed by a spokesman, Mr. Netanyahu said that Israel would " respond severely to attacks on civilian lives, and Israel hopes this message will be absorbed on the other side in all its meaning."

A senior United Nations official in Lebanon said that Israel had relayed word to Hezbollah that "if there is no more firing from your side, we will hold our fire," adding that quiet had seized the border zone.

Nevertheless, Israel's Channel Two television broadcast footage Tuesday night showing that Israel was moving additional firepower, including heavy artillery, into southern Lebanon, although as nothing more than a show of force.

The artillery bombardment Monday by pro-Israeli militiamen of the coastal city of Sidon prompted a view in some quarters that the action had left Hezbollah but with little option but to strike back.

Monday's indiscriminate attack killed seven civilians, including an infant who died overnight, and Israeli officials tried to distance themselves from it, calling it irresponsible. Tensions on both sides nevertheless have reached new heights after 10 days in which more than a dozen people have been killed in southern Lebanon, and in which Israel and its allies, and Islamic guerrillas, have taken steps that appear to violate their 16-month-old agreement to avoid attacks on civilian populations.

As Mr. Netanyahu toured damaged buildings Tuesday in the northern Israeli town of Kiryat Shimona, he declared: "We obviously don't seek an escalation. But equally, we won't accept this as a way of life."

The prime minister's task in tamping down pressure to retaliate was simplified by the fact that among thefew Israeli civilians who suffered scrapes or scratches in Tuesday morning's attack, only one man was described even as having been "slightly wounded."

A total of 80 Katyushas were launched from southern Lebanon in two early-morning barrages that began just after 7 A.M., and 45 of them landed within Israel's borders. But these appeared to have been targeted widely, a tactic that Timor Goksel, political adviser to the United Nations peacekeeping mission in southern Lebanon, described as "calculated firing" aimed at minimizing damage or loss of life.

Israelis living within rocket range nevertheless expressed fear and frustration at what they called Tuesday's unsettling sign that an agreement they had believed would guarantee them some safety appeared to be breaking down.

It was in the hope avoiding renewed Katyusha strikes that Israel sought Monday to distance itself from the attack on Sidon, although it was carried out by pro-Israeli militiamen who report to General Antoine Lahad, an Israeli-supported ally.

The 200-member force that unleashed the barrage operate from the Christian enclave of Jezzine, which lies north of the strip of southern Lebanon that Israeli forces and General Lahad's South Lebanon Army maintain as a security zone. In the hours after the attack, Israeli officials repeatedly described the battalion as an autonomous force that operates entirely outside of Israel's control..

But although a military spokesman left the opposite impression on Monday, senior Israeli officials, including Uri Lubrani, the coordinator of Israel's operations in southern Lebanon, were open Tuesday in acknowledging that the Israeli Army provides the militiamen with arms, ammunition and other supplies.

The force calls itself the 20th Battalion of the South Lebanon Army, and its firepower includes one pair each of 155 millimeter and 130 millimeter howitzers that were used in Monday's bombardment.It is considered important enough for Major General Amiram Levine, head of Israel's Northern Command, to have visited the battalion on July 17.

Its decision to open fire upon Sidon was in retaliation for a roadside bombing that claimed the lives of two teenagers whose father had been among the force's commanders until his assassination four years ago.

BRIEFLY

Fighting in Nigeria Leaves 30 Dead

LAGOS — At least 30 people have been killed in three days of fighting between two communities in the southwest Nigerian city of Ife, newspapers reported Tuesday.

Thousands of residents have fled, leaving the streets to combatants and looters. Fighting erupted at the weekend between Ife and Modakeke communities armed with shotguns, cutlasses and clubs, over the relocation of a local government headquarters.

The Daily Times said more than 1,000 paramilitary police had been sent to Ife to restore order, while local traditional rulers were told by the military authorities to bring their people under control. *(Reuters)*

Comoran Rebels Agree to OAU Talks

ADDIS ABABA — The Comoran government and separatists from two breakaway islands have agreed to talks sponsored by the Organization of African Unity, an OAU statement said Tuesday.

The secessionists of Anjouan and Moheli islands want renewed links with France, the former colonial power, either returning to French rule or as independent micro-states in association with Paris, which is rejecting their overtures.

The date of the conference has not been set, but it is expected to take place within the next two to three weeks. The likely venue is Addis Ababa, the OAU headquarters. *(AFP)*

At Last, Polar Base Sees Light of Day

MCMURDO STATION, Antarctica — The sun rose Tuesday over McMurdo Station and its 154 Americans — for the first time in 160 days.

Its return helps break the winter isolation at the U.S. base, where staffers were preparing for the arrival of the first flights from the outside world since winter set in.

On Thursday, the U.S. Air Force will deliver 60 staff members, fresh food, three tons of mail and newspapers. Though spring at the bottom of the world is still a month away, researchers got an early start on celebrating with a swim Saturday in the waters off New Zealand's nearby Scott Base. *(AP)*

Peasants in Brazil Overrun 2 Ranches

SAO PAULO — About 200 peasant families have overrun two ranches in southeastern Brazil to pressure the government to speed its land distribution program.

The peasants took over ranches Monday in Pontal de Paranapanema, in far western Sao Paulo state, "to alert authorities that we are running out of patience," said Gilmar Mauro, a leader of the Landless Rural Workers Movement.

He said the group had stopped its land takeovers in the region for six months. "But the government has done nothing," he said. *(AP)*

For the Record

Two people were killed and 30 injured when an unidentified person threw a hand grenade into a restaurant in Bogota, police said Tuesday. *(Reuters)*

Iran President Urges 'Fresh' Foreign Policy In Key Speech

Reuters

TEHRAN — President Mohammed Khatami told Parliament on Tuesday that the Islamic republic needed an "active and fresh presence" in its foreign relations.

"In foreign relations, we need an active and fresh presence based on our independence and national interests," he said before a debate on his cabinet appointees. "It is important for us to defuse tensions and seek friendship and brotherhood in the international arena."

"We have to exploit all possibilities to promote and progress our country in the world based upon the three principles of dignity, wisdom and expediency," Mr. Khatami said.

Iran has no ties with the United States, which has imposed sanctions on the Islamic republic, and its relations with Europe are often tense. Over the past year, it has worked toward improving its fragile ties with its Arab neighbors in the Gulf.

Analysts do not expect Mr. Khatami, who was sworn in on Aug. 4, to make radical changes in foreign policy, which is the domain of the supreme leader, Ayatollah Ali Khamenei.

Mr. Khatami addressed Parliament shortly after it opened for a debate on his proposed cabinet. It is expected to vote Wednesday on the 22 cabinet nominees.

He asked Parliament in his 50-minute address to give its vote of confidence to all the nominees so "that the stagnation we are witnessing will come to an end as soon as possible."

The first three legislators who spoke after his address said they supported all of his nominees.

But Islamic hard-liners, who dominate Parliament, are expected to veto at least one of the appointees chosen by Mr. Khatami, a moderate 54-year-old Muslim Shiite cleric. They especially object to his proposed minister of culture, Ataollah Mohajerani — a controversial figure for his support in 1990 of a resumption of talks with Washington.

The final make-up of the cabinet is seen as being crucial to set a reformist tone for Mr. Khatami's four-year term.

Mr. Khatami told the 270-member Parliament that his administration was based on the rule of law and increasing popular participation in politics and other areas of life.

"The two major principles of all plans and programs are following the rule of law and encouraging people's participation in political, social and cultural fields.

"We have had many crises in the past years," he said. "Now it's the era of consolidating and stabilizing the Islamic republic. This requires a powerful state, but the basis of a powerful state is proper relations with the people so that the system should be based on law."

Mr. Khatami was swept to power in elections in May, thanks to support from youths, women and the middle classes who see him as a leader capable of enacting social and economic freedoms.

The 19th-century villa, left, known as the Czetwertynski Palace, was razed in the early 1960s to make way for the new U.S. embassy in Warsaw. Albert Czetwertynski, above gesturing at the present-day embassy, and his family are demanding that the United States give up the lease on the property.

EMBASSY: *Polish Family Demands U.S. Return Property Confiscated by Communists*

Continued from Page 1

them clothed and fed. But in 1954, the elder Czetwertynski was arrested in a purge by the Communist government, ironically on a charge of spying for the United States. He denied the accusation.

His lawyer later told family members that the charge was bogus and that the arrest stemmed from the fact that a secret police raid at their home had uncovered $150 in cash — possession of which was illegal at the time.

Upon his release from prison in late 1956 — the beginning of a post-Stalin political thaw — his family said he was startled to find a U.S. flag flying over his rental property.

The villa, he was told, had been turned into an embassy.

Stanislaw Czetwertynski, his sons recall, was puzzled and became angry when his attempts to contact U.S. officials were repeatedly rebuffed. "My father always thought, 'A democratic country like the United States — there must be somebody who will listen to me,'" said Albert Czetwertynski, now 57.

For years, the Czetwertynskis sought recompense. In 1960, the family fled to Canada, while other relatives moved to Belgium, France and Switzerland.

But by then, the U.S. government was busy tearing down their villa; by 1963, it was replaced with the modern eyesore.

Today, questions about the Czetwertynski case elicit a single-page statement from embassy officials.

The statement does not dispute the Czetwertynskis' story but defends U.S. legal rights.

It claims that the United States "first acquired rights" to the site in 1945 — an eye-opener to the family. It says the embassy signed a lease in 1956. That lease, it says, remains valid.

"Embassy negotiations to acquire and use the property were conducted with the legal authorities of Poland, and the United States government has throughout acted according to the law of Poland," the statement says.

"We regret the family's continuing, understandable anguish over this deeply felt issue, but their quarrel is with the government of Poland, not that of the United States." State Department officials contacted in Washington would not discuss the case.

No official ever spoke to Stanislaw Czetwertynski, now feeble and infirm.

Albert Czetwertynski, who grew up to be a businessman and maintained his family's claim to the property, was called to the embassy in 1995.

The United States, he was told, bore no responsibility.

But documents from U.S. National Archives sketch out long discussions between the Americans and Poland's Communist rulers to turn the villa into government property.

The talks began in 1955.

U.S. archives show that in 1956 — when Stanislaw Czetwertynski was in jail — the U.S. and Polish governments signed a contract that, despite existing Polish law, gave the Americans "temporary ownership" of the Czetwertynski villa and land.

For $992,500 in congressional appropriations, the Americans assumed land rights there for 80 years — until 2036 — with an option for another 20 years.

For $100,000 more, the two governments agreed that the Americans controlled the fate of the villa.

The sale of the villa is central to the current dispute.

The Czetwertynskis are unable to claim land ownership; what they argue is that they were wrongly deprived of the villa.

Documents show the Polish government had once planned to designate the villa a "historical monument;" the Americans apparently persuaded them otherwise. The archives also show that the Americans sought protection from any Pole who could claim harm from the deal. The U.S. negotiators wanted the Polish government to promise, as part of the lease, to "cancel without reimbursement all burden" or claims by the previous owners.

No document shows whether the original owners were ever contacted about the plans for 29 Aleje Ujazdowskie, which was widely known in Warsaw as the Czetwertynski Palace.

"Everybody knew who we were," said Albert Czetwertynski, "and what property we owned. How could the Americans not know if they were interested in that house? And the Communists? They knew where to find my father if there were questions about ownership. He was in the jail that they put him in."

Unofficially, U.S. government officials concede that the claims are troubling. But the embassy is not likely to interfere in a matter that is seen as legal and financially beneficial for the U.S. government.

In Poland, the Czetwertynski family case is complicated by Polish law. Unlike other East European countries, such as the Czech Republic, Poland has yet to adopt a restitution law.

Today, the land on which the villa stood is probably worth millions.

The family wants recompense for its lost home, but more important, it is waiting for the U.S. government to explain its 40 years in residence at 29 Aleje Ujazdowskie. "My case is not with the Polish government," Albert Czetwertynski said. "The Communists ignored human rights. The Americans took advantage of that. I want to meet with the Americans and hear what they have to say for themselves."

■ **Romania Evicts Congolese**

Romanian authorities have evicted diplomats of the Democratic Republic of Congo from their Bucharest embassy building because about $1.4 million in rent has not been paid, Reuters in Bucharest quoted officials as saying.

CUBA: *U.S. Weighs an Easing of Travel Ban During the Pope's Visit There in January*

Continued from Page 1

send a cruise ship to carry more than 1,000 people to Cuba for the visit, according to other administration officials, who spoke on condition of anonymity.

Peter Coats, a special assistant to Bishop Thomas Wenski, auxiliary bishop of Miami and director of Catholic charities there, welcomed the administration's consideration, noting that the Pope's visit would have major reverberations for Catholics in the United States and Cuba.

Reflecting the political sensitivities of anything to do with Cuba, administration officials have also discussed the easing of the restrictions with members of Congress prominently involved in policy toward Cuba. They include Representative Robert Menendez, Democrat of New Jersey, and Representative Ileana Ros-Lehtinen, Republican of Florida.

Ms. Ros-Lehtinen, whose district includes a politically potent population of Cuban-Americans, expressed some reservations. While she supported the Pope and his message, she said she opposed allowing pilgrims from the United States to travel to Cuba for the visit.

"This is an end run on the embargo," she said, suggesting any easing would lead to further attempts, despite the administration's insistence otherwise. "If you want to listen to the Pope, buy his tapes or visit him somewhere else."

The Pope, who is credited by some with accelerating the collapse of communism in Eastern Europe, accepted an invitation to Cuba last fall when he met with President Fidel Castro at the Vatican.

A visit by the Pope anywhere carries enormous significance, but the trip to Cuba, which has evoked memories of his visit to his native Poland in 1979, offers a chance to bolster the church's revitalization in Cuba after years of repression.

After it came to power in 1959, Mr. Castro's government nationalized church property and closed Catholic schools. In recent years, though, the government has eased restrictions and allowed Cubans more freedom to worship.

The visit could also highlight the embargo, imposed by President John Kennedy on July 8, 1963, which the Vatican has opposed on grounds that it hurts Cuba's people more than its government.

The embargo also forbids all commercial trade and restricts relief assistance, like gifts of medicine.

Tribal Strife in Kenya Moves to Sea Resort

Compiled by Our Staff From Dispatches

MOMBASA, Kenya — Officials said two people were killed Tuesday on Kenya's coastal region, and arsonists overnight set ablaze more than 100 curio stalls on the seafront in a resort town.

Hassan Hadji, deputy commissioner of Kenya's Coast Province, said at a news conference that the arson attack took place in Malindi, 120 kilometers north of the port of Mombasa.

Mr. Hadji said the police treated the arson as "a criminal act." He said no one had been hurt. But it was the first time in seven days of violence that attackers hit targets linked to tourists in Kenya and the first violence reported from as far north as Malindi.

In Nairobi, President Daniel arap Moi warned Kenyans on Tuesday against tribalism, saying the country had been "pushed to the wall" repeatedly, but Kenyans knew it was unlike Rwanda and Burundi, which were ravaged by ethnic hatred.

Mr. Moi's government and the opposition, heading for elections later this year that threaten to bring more trouble, have blamed each other for the string of brutal attacks on the coast.

Mr. Hadji said 150 people armed with bows and arrows and assault rifles attacked a seven-man police patrol Tuesday in the village of Mtwapa, north of Mombasa. In the exchange of fire, the police shot and killed one person.

He said that early Tuesday, a man was killed by vigilantes in Kitaruni, nine kilometers north of Mombasa, when he tried to burn a house, and that five people were slashed with machetes at Ntopanga when thugs burned three homes and attacked the owners.

The two deaths Tuesday brought the death toll in seven days of violence in the coastal region to at least 37.

Malindi, which has been settled since the 14th century, has developed into a tourist center catering primarily to German and Italian tourists. *(Reuters, AP)*

Outline of Tentative Pact

The Associated Press

Key components of a tentative agreement between striking Teamsters and United Parcel Service:

Contract: The union wanted a two- or three-year deal, but agreed to a five-year contract.

Jobs: The company proposed creating 1,000 full-time jobs. The agreement calls for UPS to create 10,000 from existing part-time positions over the life of the contract.

Salary: The $8-an-hour base pay goes up 50 cents. The average pay of a UPS driver, $19.95 an hour, will increase by $3.10 over the life of the contract. The pay for a part-time worker will go up by $4.10 an hour.

Pensions: The company wanted to withdraw from multi-employer pension plans and to create a new retirement plan solely for UPS workers. Under the agreement, UPS withdrew its proposal and agreed to keep the existing system.

UPS: *Accord May Be a Signal That Labor Is Recovering Strength*

Continued from Page 1

Also, the company shelved its proposal to withdraw UPS pensions from the Teamsters multiemployer pension plan — a proposal the union adamantly opposed.

The labor victory sends a powerful signal to companies and employees throughout the economy, where part-time work has increased in recent years, helping companies score gains in productivity and profits.

"The most important upshot is that management doesn't have as free a hand to do whatever it wants to do to its employees. Now it has to calculate the costs of labor pushing back," said Geoffrey Garin, president of Peter D. Hart Research, which conducts polls for union and Democratic causes.

For workers, the strike settlement dovetails with a labor market with low unemployment and a scarcity of workers for some jobs. At UPS and elsewhere, "we're going to see improving settlements for workers, with some rise in wages.

There have been very strong gains in profits but there haven't been strong gains in wages," Mr. Kimbell noted.

Whether rising costs of labor would set off rising inflation remained a question after the labor victory.

However, in the larger sense of the "Main Street" economy, the settlement could provide a boost to consumer confidence.

"In general, this should reassure people," Mr. Kimbell said. "Now it's not just that the unemployment rate is low, but there's also a prospect for better jobs."

The 15-day strike proved a turning point in many ways. Just as the crushing of the air traffic controllers strike in 1981 signaled an era of corporate restructuring and labor retreats, so the UPS settlement may presage a period of growing strength for union members and other workers.

Notably, the Teamsters enjoyed broad public support in the UPS strike.

A poll released Friday showed 55 percent of Americans siding with the strikers, vs. 27 percent backing the company.

Although the cost of strikes normally is punishing to labor and management alike, this will encourage more unions to walk out to win their demands.

As much as labor won at the bargaining table, it also scored a significant victory with the public in making its point that many workers want full-time, not part-time, jobs.

However, a sizable number of people, including retired persons, homemakers and students, often welcome flexible schedules and the work of many businesses demand that people work odd hours.

Still, part-time workers earned lower wages than full-time employees and that rankled enough for the union to elevate it into a pivotal strike issue.

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America and China

American diplomatic design and the luck of Beijing's political calendar have given Washington its best chance in years to press for constructive change in Chinese policies at home and abroad.

The Clinton administration has invited President Jiang Zemin to visit Washington in late October, enhancing his prestige at the very moment when Chinese leaders are sorting out the succession to the late Deng Xiaoping. As that visit approaches, Mr. Jiang is eager to assure a harmonious meeting with President Bill Clinton and to mute congressional and public criticism over China's abuses of human rights and religious freedom.

Mr. Jiang's concerns give America the kind of leverage it has not enjoyed since Mr. Clinton abandoned his abortive early attempt to link China's trade status to progress on human rights. The administration should make the most of this new opportunity, presenting Mr. Jiang and other leaders with a list of realistic and consistent steps that Beijing could take to improve relations and avoid the crises of recent years.

Secretary of State Madeleine Albright and Mr. Clinton's national security adviser, Samuel Berger, have already made a good start. Mr. Berger met Mr. Jiang in Beijing last week and suggested ways in which China can contribute to a successful summit meeting. These include releasing jailed democracy advocates like Wei Jingsheng and Wang Dan, allowing Red Cross visits to Chinese prisons and inviting American religious leaders to visit China. Last month Mrs. Albright reminded her Chinese counterpart of the importance Washington attaches to restraining Chinese nuclear exports, especially to Iran and Pakistan.

Improving relations also depends on wise American conduct. But most of the recent problems have resulted from provocative Chinese behavior. Although China is becoming an increasingly important economic and military power, its government remains hypersensitive about its standing in world affairs and responds belligerently to perceived slights. Beijing particularly worries that Washington is trying to contain Chinese power. On the contrary, the Clinton administration until recently acted as if maintaining good relations required Washington to ignore Chinese human rights abuses and dangerous weapons transfers.

Both sides now appear to be learning from past mistakes. Mr. Jiang knows that he is considered inexperienced in foreign affairs and that he could burnish his reputation by leading the way to less acrimonious relations with Washington. The Clinton administration now seems to recognize that trade, human rights and restraining the spread of nuclear and missile technology need not be conflicting objectives. Rather, Washington's ability to expand American economic relations with China is directly related to how well Beijing respects its treaty commitments abroad and the rule of law at home.

Beyond the immediate political calculations in Beijing, this is a particularly appropriate moment for Washington to take a more active stance on human rights issues in China. The Chinese political system is plainly evolving from a Leninist totalitarianism that tried to control all aspects of human life toward a dictatorship more narrowly focused on political repression. As economic reform progresses, social controls on ordinary people tend to diminish, even as the regime tightens its grip on political dissent. American policy should be aimed at consolidating these gains while encouraging the Chinese to extend them to the political sphere as well.

— THE NEW YORK TIMES

East Asian Medicine

The current financial crisis in Thailand, now reverberating throughout East Asia, has led some to question whether the golden era for Asia's tiger economies is coming to a close. It needn't be. Asia's success stories, from South Korea to Indonesia, are facing new challenges, due in part to their past success and in part to the accelerating globalization of the world economy. But with proper policies, and absent unexpected global economic shocks, there is no reason they can't stay on a growth path over the long term.

During the past several years Thailand's economy attracted vast amounts of foreign capital, fueling growth rates of 8 percent and higher, but its government did not adjust quickly enough to new circumstances. Bank regulation was lax, corruption flourished and exchange rate policy was bungled. Too little investment was channeled into education and infrastructure, which are key to future economic growth. Warning signs of trouble were ignored. The result: Thailand now faces at least two years of austerity policies. Both foreign and Thai investors will suffer, but — as after Mexico's peso crash — it is the poor who will suffer most from a slowdown in growth.

Each Asian nation is different, but some of Thailand's problems find echoes across the region. Globalization has benefited Thailand, Malaysia, Indonesia and other neighbors more than any other region in the world. Trade and foreign investment flows helped fuel average annual growth in Thailand of 4.6 percent over the quarter-century from 1965 to 1990 (compared with 0.8 percent in Latin America). But global capital markets are fickle; they "punish mistakes severely," the Asian Development Bank noted in a report published just before Thailand's crash. The ADB report, written primarily by Harvard University's Jeffrey Sachs and David Bloom, predicted that global integration would force Asia's developing nations to put more emphasis on rule of law, transparent financial regulation and other improved governance, or suffer the consequences.

Rapid growth obviously is easiest when countries are beginning from near zero. As they have prospered, Asia's tigers have found that the low-wage industries that got them started, such as shoe factories, are quick to move on: from South Korea, say, to Malaysia to China's coastal regions and now to China's interior. This can be a positive development, reflecting rising standards of living in the abandoned countries. But to attract higher value-added industries, countries again need more investment in education and better state institutions.

Not every nation will move up this economic food chain with equal success. But most Asian economies remain well positioned geographically, demographically and in other ways to make the transition. Thailand, for example, doubled its standard of living relative to America's from 1965 to 1990 — but even then reached a level only one-fifth as high. With improved policies, the ADB report figured, Thailand's growth is actually likely to accelerate during the next 30 years — and Thailand's economy, on a per-person basis, would still be only half as large as that of the United States. In that case, the next two painful years might be remembered as a bump in the road.

— THE WASHINGTON POST

Other Comment

Recruiting for Hamas

The lessons of Israeli-Palestinian turbulence should [be] clear to Americans as to the more thoughtful Israelis. "Security" is not manna from heaven to be plucked and enjoyed, and in the circumstances of the Middle East in the closing years of the century it can never be achieved by Israel remaining a colonial power policing Palestinian areas, bottling up entire populations at will, making access to and from Palestinian territories a nightmare for the Palestinians themselves and the world, and generally telling the Palestinians that they are little better than serfs and must live on bits and pieces of territory that must not be armed.

Terrorism against innocent civilians for any cause is abhorrent and must be condemned, but it is time Americans paused to consider what options they are leaving Palestinians. Every day the actions of the Israeli authorities are driving Palestinians into the arms of Hamas, whose words have a greater resonance among the people against the backdrop of Israeli actions. And we have Benjamin Netanyahu and Bill Clinton asking Yasser Arafat to provide Israelis with security.

— S. Nihal Singh, commenting in the Khaleej Times (Dubai).

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A New Policy Toward Iran to Please Big Oil?

By Stephan-Goetz Richter

WASHINGTON — For nearly two decades, the makers of American foreign policy have looked with thinly disguised contempt at attempts by their European counterparts to build a constructive dialogue with Iran.

These diplomatic overtures to the Iranians have typically been described in the United States as naive, commercially self-serving or both. From an American perspective, it was as if the Europeans were not dealing just with the enemy but with the devil incarnate.

But Europe's soft line toward Iran may soon become United States policy as well. The Europeans might appreciate such a reversal — if not for the hypocritical way the United States is going about it.

Evidence of such an about-face came to light late last month. Through unnamed officials, the Clinton administration let it be known that it would not oppose a planned 3,200-kilometer pipeline to carry natural gas from Turkmenistan to Turkey through Iran.

Although Secretary of State Madeleine Albright was quick to deny that there had been any fundamental shift in policy, one can only wonder about the timing of the leak.

This news surfaced in late July, just days before the inauguration of Iran's new president, Mohammed Khatami, who was predictably described by the same unnamed administration officials as a "moderate" with whom the United States might be able to do business.

In reality, the United States had been signaling a change in policy for months, all in the dance of veils familiar to Washington observers.

First, word circulates that oil companies with interests in the region have retained the services of noted foreign policy experts and former officials.

Next, these same luminaries publicly decry the "unproductive" nature of American policy toward Iran. The containment strategy, we are told, needs to be rethought.

Finally, the usual unnamed administration officials start dropping hints that such a rethinking is in the works.

Rather than taking comfort from the notion that Washington may be moderating its hostility toward Iran, the Europeans have been a bit taken aback by it. They believe that it is preparing to engage with the Iranians for one and only one reason: Big Oil has something big at stake in Central Asia.

Iran has influence with virtually every country in the region. The countries of Central Asia are simply too historically interwoven for it to be otherwise. Obviously, this puts the United States oil giants at a distinct disadvantage in the race to tap the vast energy resources of the former Soviet republics.

Little wonder, then, that the Clinton administration gave a hero's welcome to Azerbaijan's president, Heydar Aliyev, on his recent visit to Washington — or that business interests eager to unlock oil in the Caspian Sea are working overtime to soften American attitudes toward Iran.

Europeans take offense at this sort of double standard. After all, even as hints of a kinder, gentler stance toward Iran surface in the press, European and U.S. negotiators are getting ready to discuss the imperial Helms-Burton legislation, which seeks to enforce American trade sanctions against Cuba by applying them to non-American companies.

America constantly reminds everyone that under U.S. law Iran, like Cuba, is economically "untouchable." Yet this policy seems expendable as soon as American interests decide to go after Central Asian oil. Europeans find it particularly hard to swallow the idea that the entire world should dance to the tune of American domestic politics.

European policymakers understand realities well enough to know that as the world's only superpower the United States plays a paramount role on virtually every issue. But they wonder whether the United States is shortsighted enough to believe that it can tell other nations not only what to do but also precisely when to do it.

Europeans are bemused to see how easy it is to change American foreign policy. Just have a few political heavyweights prepare the way by endorsing the impending shift. In short, make it sound like a geopolitical strategy adjustment, not a cut-and-dried business transaction. Is it any wonder that more and more people abroad have an uneasy feeling that America, for all its achievements, is growing ever more cynical?

That suspicion certainly has not been contradicted by the Clinton administration's decision to allow the pipeline through Iran. To many Europeans, it just looks like a way to get Washington's policy out of a trap — and out of the way of some very powerful business interests.

The writer, publisher of the Trans-Atlantic Weekly Wire, a global strategy newsletter, contributed this comment to The New York Times.

Two Scenarios for the Start of the Next American Recession

By Robert M. Dunn Jr.

WASHINGTON — Serious problems in the American economy are being ignored at some peril. The business cycle has not been banished, and circumstances exist in U.S. financial markets which suggest that the next recession may not be far in the future.

Increases in household indebtedness are causing enormous problems of declining creditworthiness, loan write-offs by lenders and personal bankruptcies.

As of late 1996, household debt totaled 89 percent of annual disposable income, compared with 83 percent in 1990 and only 67 percent in 1980. Americans have been on a spending binge since the early 1980s, and now owe almost a year's income on credit cards, car loans, mortgages and other debts.

The predictable result of excessive spending has been a sharp increase in loan defaults and bankruptcies. More than a million bankruptcies were filed in 1996, and banks have recently been writing off about 7 percent of credit card receivables as uncollectable, compared to 6 percent a year ago, and far less in the more distant past.

From 1960 to 1983, families saved about 8 percent of disposable income. The figure declined to about 5 percent in 1989, before rising slightly during the 1990-1992 recession. It fell during the following recovery, and was a mere 4.8 percent in the first quarter of this year.

Domestic savings rates (including business and government) averaged 21.4 percent of GDP in the 1960s. The figure declined in the 1970s and 1980s, and has averaged only 15.5 percent thus far in the 1990s.

In a little more than three decades, 5.9 percent of U.S. output was shifted from savings to private and public consumption. This has become an economy of eat, drink and be merry.

A national savings rate of just over 15 percent is not sufficient to finance even modest plant and equipment investment levels, so America has to borrow from foreigners. It has recently been borrowing about $150 billion per year abroad to finance its current account deficit so that the economy can invest more than the small amounts Americans save.

America was a large net creditor to the rest of the world in the early 1980s. It is now the largest net debtor, and this indebtedness will reach $1 trillion by the end of this year.

It is not difficult to foresee the likely cause of the next recession. Either consumers are going to conclude that their debts are excessive and that they should reduce expenditures, or the banks are going to force them to stop buying so much by refusing to lend.

Writing off 7 percent of credit card receivables will eventually get the attention of bank managers, who will then decide that creditworthiness standards need to be tightened sharply. Spending on consumer durables and other discretionary consumption (such as travel and restaurant meals) will decline, and a recession will follow.

An alternative scenario begins with foreign investors deciding that continuing to lend $150 billion a year to a country with high consumption and low savings is less than prudent. If the willingness of foreigners to lend declines, the exchange rate for the dollar will fall, strongly encouraging the Federal Reserve to defend the currency, which means tight money, high interest rates and a recession.

If both scenarios were to develop simultaneously, things could get nasty.

If domestic consumption declines, because of excessive household indebtedness, at the same time that foreigners decide to reduce their lending to the United States, the Federal Reserve will face a tough choice. Domestic spending declines would call for easy money, but defending the dollar requires tight money.

The Fed would probably decide to ease, letting the exchange rate for the dollar decline sharply at the risk of more inflation. But there would be a serious recession before this got sorted out.

Despite the current happy times, a recession is out there waiting. Its cause will very probably be the excessive debts that Americans have accumulated in recent years, and it will represent at least a temporary end of the consumption binge.

The party will have been fun while it lasted. The problem will be getting through the morning after.

The writer, a professor of economics at George Washington University, contributed this comment to The Washington Post.

The White House Finds in Favor of Bibles and Head Scarves

By E. J. Dionne Jr.

WASHINGTON — Religious people in America have argued for decades that the First Amendment, which guarantees freedom of religion, has been wrongly interpreted as requiring freedom from religion. They have condemned efforts to drive religion from "the public square" and asserted that religious people have rights, too. Now, to the great surprise of many who made this argument, the Clinton administration has turned out to be an ally.

The administration issued guidelines last Thursday requiring government supervisors to respect individual expressions of faith by federal employees. Christians will be able to keep Bibles on their desks. Muslim women will be able to wear head scarves. Jewish workers who want to honor their high holy days will have to be accommodated as much as possible. No one will be able to stop a federal worker from talking or arguing about religion during coffee breaks and lunch.

President Bill Clinton is so masterful at symbolic politics that it is easy to write off the new rules as a feel-good exercise, especially since reasonable supervisors largely practice what these rules preach. But this underestimates the balancing act required to ensure that individual rights are protected while keeping the government out of religion.

These guidelines were not an automatic political winner, a fact underscored by the reactions of Barry Lynn, executive director of Americans United for Separation of Church and State, and Cathy Cleaver, legal policy director of the conservative Family Research Council.

Mr. Lynn said the guidelines "go far beyond what the constitution requires for religious expression" and "really urge ... all government employees to set up kind of a religious shrine at their own workplace."

From a very different perspective, Ms. Cleaver said that "the guidelines leave much room for discrimination based on the employer's judgment."

The real point is that the administration has been trying, with the help of a broad range of religious leaders, to find a satisfactory settlement of a battle over religious rights that began in the 1960s when the Supreme Court outlawed school prayer.

The First Amendment is commonly interpreted as requiring "separation of church and state." What it actually says on the subject is that "Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof."

As Mr. Clinton said on Thursday, the amendment has two parts. It does prohibit the imposition of religion, any religion, by the state, but it also protects the free expression of religious beliefs by individuals.

That means that the government cannot require youngsters to say prayers. But, as the administration made clear in a set of guidelines issued in 1995, school officials cannot stop individuals from praying or talking about religion just because they happen to be on government property. As Mr. Clinton said at the time, the constitution "does not require children to leave their religion at the schoolhouse door."

Drawing the lines correctly matters most to members of minority religions, as Rabbi David Saperstein, director of the Religion Action Center of Reform Judaism, pointed out at a news conference outside the White House. The lone Jew, Muslim or Hindu in a workplace or a school is especially vulnerable to intimidation.

Adam Meyerson, a vice president of the conservative Heritage Foundation and a Clinton critic on many fronts, said in an interview that Mr. Clinton's accomplishments on religious rights are real.

"Clinton's greatest legacy may well be his leadership in reducing the bigotry against religion that has been expressed in recent decades by much of the Democratic Party and American liberalism."

Washington Post Writers Group.

Slipping Backward in Jordan

By Philip Robins

OXFORD, England — The recent announcement that Jordan's next parliamentary elections are to be held on Nov. 4 should be cause for celebration. The kingdom has since 1989 led the Arab world in political reform. But an increasing number of Jordanians feel that the democratic process, such as it is, is simply no longer worth the candle.

Behind this malaise lie anxieties about lack of consultation in decision-making, and the absence of popular support for key strategies, notably the normalization of relations with Israel.

The forthcoming general election should be a showcase. It will be the third since the advent of a Jordanian-style glasnost more than eight years ago. All three will have been free of direct government interference. Great strides have been made — martial law has been ended, political prisoners released, political parties legalized, and a pluralist press has started to emerge.

Of late, however, political reform has begun to lose its way. The rules of the electoral game have been massaged to favor underpopulated rural constituencies, leading to a surge of tribal representation in the National Assembly and a diminution of the ideologically oriented parties.

Amendments to the publications law adopted last May seem designed to squeeze out the more free-spirited weekly press; two publications have already gone under. In the shadows, the activities of the intelligence and security services remain unchecked.

The Near East remains a volatile area. Arguably, democracy anywhere is best introduced in bite-sized chunks. For all the recidivism of late, Jordan's reformist record is good by Arab standards.

What should be more of a cause for concern is the damage that such measures have on the political culture of inclusion. One of King Hussein's many achievements has been to craft a system sufficiently broad and flexible to include a wide political spectrum of views, from Islamist to Communist.

Ultimate power lies with the palace, but the National Assembly has acquired two important roles — as a watchdog on government, and as a noisy safety valve for frustrated oppositionists. That inclusivism is now in jeopardy.

The Islamic Action Front, the kingdom's only mass political movement, has decided to boycott the November poll. Its particular gripe is the electoral system introduced by sleight of hand just before the 1993 elections, and which helped to halve Islamist representation.

Many mainstream politicians in Jordan share the exasperation of the Islamic front. They believe that the growth in tribal representation has had a deadening impact on Parliament and has stifled political debate.

Four leftist and nationalist parties have expressed an intention to join the boycott. Speculation is rife that many of Jordan's vigorous professional associations and other civil society groups will follow suit. The omens are not good for a large turnout.

These political parties already control just under one-quarter of the seats in the 80 member National Assembly, whose inclusivist nature will certainly be undermined if the boycott goes ahead.

Opposition political activity may take an increasingly extra-parliamentary form. It will in turn become harder for such parties to dissuade their more hotheaded elements to refrain from disruptive action. Here, both relations with Israel and the IMF-inspired tight economic strategy are vulnerable.

The government, to its credit, has sought to open a dialogue to see if the situation can be retrieved. But even if an arrangement can be made with the November poll in mind, broader issues of concern will remain.

Most importantly, an election boycott in Jordan will damage the cause of political institutionalization, the elusive quality in the search for stability across the Arab world. From a regime perspective, this would appear to be counterproductive, as King Hussein has often championed the cause of institutionalization in the 1990s.

The erosion of Jordan's culture of inclusion is most unlikely to affect the king's own position: his political stature and authority remain strong. But to ensure that this monarch of 45 years is not judged by history to be a latter-day Franz Joseph, he must consolidate a system of government that has a genuinely popular base.

Brooding discontent and electoral boycotts do not facilitate such a process.

The writer, lecturer in Middle East politics at Oxford University and a fellow of St Antony's College, is preparing a history of Jordan. He contributed this comment to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1897: Electric Cabs

PARIS — The electric cab which has just made its appearance in the streets of London seems to be a success. In an interview with the manager of the company, that gentleman states that the new horseless cab is in every way equal to the demands made on it. It is as steerable as the ordinary cab, makes very little noise and costs so little that it can compete easily with the present "gondola of London." Fourteen of these vehicles have been placed on the streets, and a hundred more will follow as soon as they can be turned out by the builders.

1922: Selling Austria

VIENNA — Austria has come to the point where she can no longer exist as an independent State. With the currency so low that, for all practical purposes, it has ceased to be of any value as a basis of exchange, conditions have become impossible. The Austrian Government has therefore decided to get into personal contact with the leading statesmen of Austria's three most important neighbors — Germany, Italy and Czecho-Slovakia. This means that Austria is seeking fusion with one of these three countries at any price.

1947: Blast Kills 400

CADIZ, Spain — More than 400 persons were killed and between 5,000 and 6,000 injured when 2,500,000 pounds of explosives in the Cadiz Arsenal and Naval Torpedo Factory blew up on the outskirts of the city. The explosion, which wrecked the industrial section of the city and blasted an orphanage and a hospital, left Cadiz without water and electricity. The Franco government banned the publication in Spanish newspapers of the dead and injured toll.

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OPINION/LETTERS

Cities Can Shine if They Take Up Tools And Build on Renaissance Lessons

By Joel Kotkin

MALIBU, California — Instead of trying to salvage the great mass-industrial centers of the 20th century, with their bulging populations, smokestacks and gleaming high-rise towers, today's cities would do better to emulate the cities of the Renaissance and the early modern period — Venice, Florence and Amsterdam. These relatively small but dynamic urban centers created the forms, attitudes and patterns of commercial interaction that have shaped — and continue to shape — our civilization.

Rarely has the need for such a reassessment of urban strategies been more critical.

Despite occasional hype about the "comebacks" of various American cities, the reality of the 1990s has been a continuing outmigration of middle-class people, companies and opportunities from most urban centers.

To make cities appealing again, they must, as the economist Jiro Tokuyama once observed, "unlearn the secrets" of their most immediate success.

For nearly a century, cities grew according to a mass-industrial model, with economies based on large-scale manufacturing and the housing of vast corporate bureaucracies. Today the American cities most dependent on this model — Detroit, Chicago, St. Louis, Newark — are those that have been shrinking most rapidly, both in population and in economic importance.

For economic success, cities must be open to outsiders.

By contrast, cities or parts of cities still serving the more traditional functions as centers of cross-cultural trade, artisanship and creativity — San Francisco, Seattle, Boston, New York and West Los Angeles — have performed markedly better. Their populations are relatively stable, and because of surging employment in high-end services, specialty manufacturing, entertainment and trade, they command among the highest rents and have the lowest office-vacancy rates in the nation.

Although these cities' commercial, artisan and creative activities have roots in the origins of urbanity in Mesopotamia, North Africa and the ancient Mediterranean, it was the great Renaissance cities that perfected these urban roles and helped lay the foundation for what the urban historian Martin Thom has dubbed "the age of cities."

Venice, Florence and Genoa were essentially trading states that used their international connections to secure a lucrative role at the center of burgeoning commerce between the great cultures of the Levant and a still-awakening Europe. They also developed the second major pillar of urban economics — a highly evolved craft-based economy. The Venetians divided up their neighborhoods along functional lines, with specific residential and industrial communities for shipbuilding, munitions and glassmaking.

Finally, the Renaissance city-states, with Venice in the lead, benefited from the fostering of economic, technical and cultural contacts with the outside world, particularly the highly evolved societies of the early Islamic Middle East. This openness to outsiders was then, and remains today, one of the critical components of a successful urban economy.

The economic bulwarks of the 20th century industrial city — mass-production industries and giant corporate bureaucracies — are shrinking in size and retreating to more pliant, less complex edge cities. Faced with the loss of so much of their traditional economic base, cities must seek to exploit niches where they enjoy a comparative advantage.

Ports, airports, rail lines — the essentials of maintaining a role as a center of cross-cultural trade — must be bolstered.

At the same time, cities need to find better ways to stimulate growth of creative industries, such as multimedia, movies, television and theater.

One critical element is the creation of the city as a work of art. Filled with pride in their accomplishments, the Venetians and their Renaissance rivals vied with each other in fashioning the most arresting urban landscapes. Such cultural amenities help keep creative and educated populations from leaving.

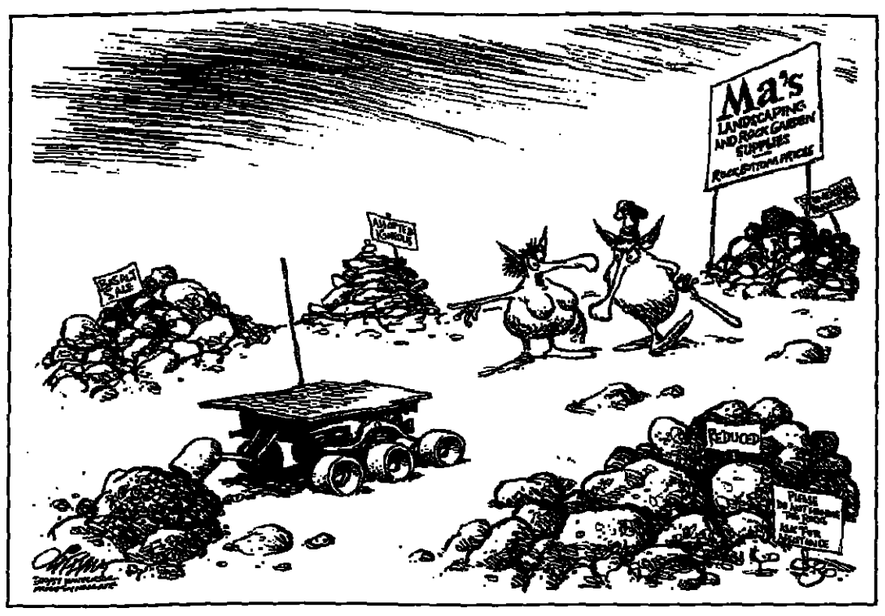
But keeping creative 20- or 30-year-olds happy will not, by itself, create workable cities. For the great urban agglomerations of America, such as New York, Chicago, Los Angeles and Houston, economic opportunities must be developed for their largely minority and largely immigrant populations. At their height, cities like Venice provided work not only for merchants and artists but also for the vast legions of artisans, mechanics and semiskilled workers who constituted the great majority of urban dwellers.

Right now, the biggest obstacle to developing an enterprising civic spirit lies in what Mr. Thom has called the "pandemonium of ethnic cleansing," in which tribal rivalries undermine any overall sense of common purpose. For cities to flourish again, all their disparate groups must realize a sense of common purpose.

Traditionally, such attitudes reflect not only political or economic values but also transcendent and spiritual ones. Many of the great cities of antiquity — Ur, Sumer, Athens, Rome, Venice, Constantinople — were built around structures of profoundly religious significance. In much the same way, today's cities should identify themselves through the construction of soaring new cathedrals, mosques, Buddhist or Hindu temples and synagogues that reflect the common spiritual values of their inhabitants.

Like the citizens of Rousseau's Geneva, today's New Yorkers, Angelenos, Chicagoans, San Franciscans or Houstonians have in their hands the tools to forge a bright future for their cities — if they dedicate themselves to the effort. In this effort, they may also determine whether we sink into a fragmented, disjointed high-tech version of the Dark Ages or initiate our own new Renaissance.

The writer, a senior fellow at the Pepperdine Institute of Public Policy and at the Pacific Research Institute, contributed this comment to the Los Angeles Times.



LETTERS TO THE EDITOR

Israel and the UN

In response to the editorial "Bigger Security Council?" (Aug. 16), it is worth noting that just one of the 185 member countries of the United Nations is ineligible to sit, in any capacity, on the Security Council. All seven countries on the U.S. terrorism list are eligible. So, too, are tiny Andorra and the Seychelles Islands.

Only democratic Israel, a UN member for nearly five decades, is denied that possibility because, for practical purposes, nonpermanent members are always selected by one of the five regional blocs — Africa, Asia, Eastern Europe, Latin America, and "West European and Others."

By geography, Israel should be in the Asian Group, but Iraq, Saudi Arabia and other states have denied Israel membership. As a temporary measure, Israel has sought inclusion in the "West European and Other" group, but a few European Union countries, on one pretext or another, have blocked Israel from joining.

If UN reform is on the agenda, then remedying Israel's anomalous situation, which denies it participation not only in the Security Council but also in the Economic and Social Council, the International Court of Justice and other UN organs, ought to be at the top of the list for those who care about the credibility and effectiveness of the United Nations.

DAVID A. HARRIS.
New York.

The writer is executive director of the American Jewish Committee.

Arab Economies

Regarding "Decades of Political Stagnation Hobble Economies of Arab World" (Aug. 4):

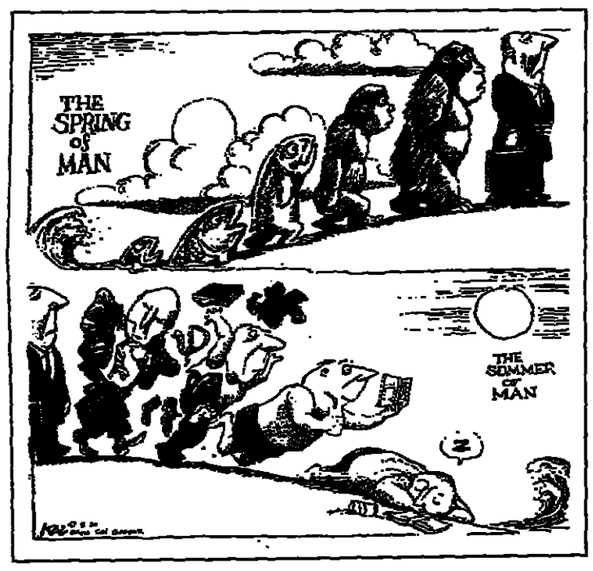
Although the political climate influences the economic prospects of the region, several countries have implemented new measures in an effort to make their markets more accessible to foreign investment.

For example, Jordan has taken aggressive steps in reforming its investment laws and company laws and in removing restrictions on the outflow of capital.

As I observe changes in the Middle East, I think back to when Japan and Germany embarked on an era of economic reform after World War II. Restructuring national economies in the Middle East will similarly demand patience.

Many leaders in the Arab world have come to terms with the changing world economy and the emergence of regional trade blocs. At the very least, they should be commended for their efforts to get on the bandwagon.

MASSOUD DERHALLY.
London.



Surfing and Snooping

Regarding "Privacy Vanishes, but Is That Bad?" (Opinion, July 30) by Carole A. Lane:

The writer fails to distinguish between information that is already public — given knowingly and simply made more easily accessible by Internet — and private information that has no business in cyberspace.

Also, there is the matter of unregulated and abusive combining of information from different sources. Even government agencies are supposed to respect their jurisdictions. Internet surfers can merge data that have profound impacts on the lives of the subjects.

The gathering of certain information for legitimate purposes has been institutionalized for good reasons. In a democracy, the right to protection from unreasonable searches should not be traded for an Internet account.

ERIC FENSTER.
Montreuil, France.

On NATO's Shortlist

Regarding "Why Should NATO Grow? Just Look at History" (Opinion, July 9):

The two countries short-listed for NATO enlargement at the Madrid summit meeting were Romania and Slovenia, not Romania and Slovakia. The objection that "American boys might have to die for Budapest" — cited as a stumbling block to public acceptance of the expansion plan — is silly. Americans have died for lesser cities in the past.

BETSY BUNDSCHUH.
Ljubljana, Slovenia.

What Serbs Want

Regarding "Right About Bosnia" (Opinion, Aug. 13):

The editorial refers to separatist voices among the Bosnian Serbs. It ignores the fact that the Serbs in Bosnia-Herzegovina opposed its separation from Yugoslavia in 1992. Today, the Bosnian Serb objective is simply to reintegrate Serb-inhabited territory with Yugoslavia.

GEORGE TINTOR.
London.

When Smoke Travels

During my residence in the United States I heard and read about the terrible harm caused by tobacco to smokers and nonsmokers alike. The government's outcry and public behavior verged on hysteria. Tobacco was public enemy number one.

Here in Greece, I witnessed a most interesting happening in a taverna. Two young women approached every table offering free Marlboro cigarettes and lighters to everyone.

I am intrigued. What is poison in the United States is good for the Europeans. Hypocrisy, I would say — or better, hubris.

JEAN de SION.
Athens.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

A First Wife Had a Point To Make

By Olivia Goldsmith

NEW YORK — For a domestic dispute, the "alienation of affection" case of Dorothy Hutelmyer vs. Margie Cox Hutelmyer has attracted a lot of attention. But this is not a story of greed or vengeance, as the press would have it. It is about the need for vindication.

On Aug. 5, a jury in North Carolina ordered the second Mrs. Hutelmyer (Margie) to pay the first (Dorothy) $1 million for stealing away her husband.

"Do you think she's going to get $1 million?" Margie Hutelmyer said after the jury's judgment. "I own no property. I have no savings."

She just doesn't get it. The lawsuit was not about money. Nor was it Dorothy Hutelmyer's aim to blame "the other woman" for her ex-husband's behavior. The lawsuit was about honor and loyalty; it was about the marriage contract. The lawsuit was simply a way for

MEANWHILE

the first Mrs. Hutelmyer to send a message: What happened to her was neither fair nor appropriate.

Margie Hutelmyer appears to feel no responsibility. In fact, she blames the first wife for the whole mess. "Until she can acknowledge that she shares in the responsibility in the breakdown of that marriage," Margie Hutelmyer said, "she can never get on with her life." Thank you, Dr. Ruth.

But we are not talking about a failed marriage where two people agree that they are growing apart and decide to separate. We are talking about betrayal and deception. Joseph and Margie Hutelmyer have admitted that they had an affair while he was married. He is responsible for his actions, certainly, but isn't she also culpable?

Disastrous changes in divorce laws in the past two decades have not only failed to protect many wives financially but also have given them no emotional succor. Since the antiquated "alienation of affection" law is still on the books in the state where she lives, why shouldn't Dorothy Hutelmyer press her case in the courts?

The decision is not a victory for conservative family values, as some politicians have said. It is not even a practical solution for most women in her situation. Only 12 states still have the alienation of affection law on the books. The jury's decision is a vindication.

What the resourceful Dorothy Hutelmyer did was ask a jury of her peers if her anger was justified. In less than three hours they came in with a decision supporting her. What's wrong with that?

The writer, author of "The First Wives Club" and "The Bestseller," contributed this comment to The New York Times.

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THE WORLD'S DAILY NEWSPAPER

TOMORROW: HEALTH + SCIENCE

Zhang Yimou, Keeping Cool in the Face of Censorship

By Joan Dupont
International Herald Tribune

LOCARNO, Switzerland — Zhang Yimou, red T-shirt, black jeans, sits on a terrace looking out on Lago Maggiore. China's leading Fifth Generation director, who has won many prizes abroad and run into trouble with the authorities at home, was sitting this one out by being a jury member at the Locarno film festival.

The jury last weekend awarded the two top prizes to "Ayneh" ("The Mirror"), an Iranian film by Jafar Panahi about a little girl wandering the streets, and a French film, Tony Gatlif's "Gadjo Dilo" ("Crazy Gadjo"), on the plight of Gypsies in Romania. "I think both films deserved first prize because they are simple, thoughtful and well made," he said.

The Chinese director has lived the drama of uprooting in his own country, falling out with capricious censors as his reputation grew. He received a Golden Bear at Berlin for "Red Sorghum" (1987), and a Silver Lion at Venice for "Raise the Red Lantern" (1991); "The Story of Qiu Ju" won the Golden Lion the following year. His latest film, "Keep Cool," had been set this year for Cannes — where he has also won prizes — but at the last minute, the Chinese government pulled it out, already piqued because a film about homosexuality in Beijing, "East Palace, West Palace" by Zhang Yuan, had also been invited to the festival. Zhang Yimou, who just staged Puccini's "Turandot" in Florence, is waiting to see whether the authorities will allow his film, a contemporary comedy, to compete at the Venice film festival, which opens late this month.

At the open-air theater on the Piazza Grande, along with Locarno's auteur fare, he has also seen the latest in Western production, films like John Woo's "Face/Off" (out of competition).

"It's a good chance to see movies from different countries; it's hard, in China, to see so many films," he said. He knows the movies of Hong Kong-to-Hollywood Woo: "I liked the ones he made in Hong Kong and didn't like the first two he made in Hollywood, but perhaps his reputation there has given him more freedom. I found 'Face/ Off' interesting because it shows his personality and that he's not lost his touch. I think it will be a big commercial success."

At a time when filmmakers from China, Hong Kong and Taiwan are thinking of moving to the West, Zhang sees no question of emigrating. "I can't make movies outside China because there's so much to say about China, and I don't have much to say about other countries," he said. "There are so many things to put on screen that one life's work may not be enough. And maybe the day will come when China will open up more, and a director will get more freedom — then, definitely one life will not be enough."

The director, born in 1950, was 14 when the family came under disgrace because of his father's war past — he had not been on the winning side. The parents were sent to a re-education camp, while the boy worked in the fields and, later, a factory to the tune of loudspeakers blaring propaganda. Having been properly recycled, he entered the Beijing Film Academy, graduating in 1982.

As an actor, he won the top prize at the Tokyo festival for his part in Wu Tianming's "The Old Well." As director of photography for "Yellow Earth," by his film school colleague Chen Kaige, his way of filming the land, his sense of a people immured in tradition, set the style of what became known as Fifth Generation filmmaking.

By portraying injustices of past regimes, right through the Cultural Revolution, Zhang and Chen told the story of what it is like to live under a stifling, oppressive society. In their recent films, "Shanghai Triad" (Zhang) and "Temptress Moon" (Chen), set in Shanghai in the '20s, they each showed a boy's view of a corrupt world, as if revisiting their own painful childhoods. And each has used the actress Gong Li, who was Zhang's lover until two years ago, to play a panoply of characters.

WITH "Keep Cool," the director has broken with the historical film. "This is the first contemporary movie I've made. I needed a change," he said.

He is pleased with the comedy, which stars the actor-director Jiang Wen. "I'm really quite happy, though as we know, the authorities always ask for changes and I had to change a lot of things." A happy end was added, but he feels that his film, with its hip slang and surging hand-held camera effects, preserves his original style and idea.

"And I'm really happy with Jiang Wen," he said, breaking into a smile. "He's the best actor in China today, and intelligent. I saw the movie he made ["In the Heat of the Sun"] and took a video back to my hometown for my parents. We all laughed.

"I think 'Keep Cool' is the funniest film I've ever made. When they screened it at the Film Academy, the public enjoyed it. I don't know if foreign-language subtitles will translate the fun."

As to why "Keep Cool" was not allowed to go to Cannes, Zhang says, "They gave us no reason, but as you know, Chinese authorities don't give reasons for not letting a film go abroad. But I think it's because they didn't like the film: There's too much that's about an individual and his philosophy — it's me expressing myself, and maybe there's too much of me in it, it's too strong.

"I really believe they feel, like when you see someone, and that person makes you ill at ease? You know? They can't think of any specific reason, but they feel uneasy, and the impact of my films may be too big."

Marco Muller, director of the Locarno festival, an old friend of the director, has used his ties with the Chinese industry — he speaks Mandarin — and the Venice festival to negotiate the film's entry.

"Once I knew 'Keep Cool' wouldn't be going to Cannes, I alerted Venice. We have to see if our diplomatic efforts will be fruitful, but I know that the last thing you should do when dealing with Chinese censorship is to respond with declarations on freedom of expression. My motto has been, get them to let the film out first, make statements later."

Zhang, who says he would like to make more contemporary films, smiled when asked whether he would be tempted to do a comedy with Gong. He is considering a project on China's first empress, starring the actress. "She would be playing the first empress in Chinese history, in another historical film, different from the one I just made. No," he laughed, "it would not be a funny part."

Movie Titles: No Clones Allowed

By Linda Lee
New York Times Service

NEW YORK — Scanning a marquee at a megaplex, moviegoers see clipped titles — "Conspiracy," "Nothing" and "Free" — and are expected to know the rest "... Theory," "... to Lose" and ". . . Willy." It is the business of movie studios to create instant brand identification for their titles (or even parts of them). One way to do that is to make sure that no two titles are that much alike.

The Motion Picture Association of America has 150,000 titles on file at its Title Registration Bureau. It is an interesting exercise to try to come up with a distinctive title that is not already there. Even if there is no exact match, there is the matter of similarity. If a duplication or similarity is noted, permission must be obtained from the studio that first released the title.

This year seems to have had a record number of title tangles. "Air Force One" had a potential conflict with "Air Force," the 1943 movie about World War II, but no title protest was raised. However, the independent film "Hurricane," shown at Sundance, triggered a protest from Viacom because of Paramount Pictures' 1979 film "Hurricane," and was forced to change its title to "Hurricane Street."

Oliver Stone thought he was shooting a movie called "Stray Dogs" this spring. That was before Akira Kurosawa brought "Stray Dog" (1949) to his attention, and before anyone got around to mentioning Sam Peckinpah's 1972 "Straw Dogs." Now Stone's film, opening in October, is called "U-Turn." (Not "Utah" from 1945, "Utu" from 1983 or "Utz" from 1993.)

Walt Disney Co. knew it wanted to release Demi Moore's forthcoming Navy Seal movie as "G.I. Jane." The problem was that Hasbro had registered that name in connection with its line of G.I. Joe action figures. Disney tried other titles, but nothing stuck, a Disney executive said. Finally, Disney bought the rights to "G.I. Jane" from the toy company.

Titles, whether for books or movies, cannot be copyrighted. Since 1925, however, the Title Registration Bureau has been charged with avoiding "identical usage or harmful similarity" in movie titles in the United States. The studio registers its title, often at the script stage. Every day, the Title Registration Bureau sends out a list of proposed titles to subscribers.

It is up to the subscribers to register a complaint within 10 business days. The matter is settled between friends or sent to an arbitration panel made up of "disinterested parties."

"The majors have bitter fights about this," said an industry source who has seen the process. "They are screaming into the phone, threatening each other. From time to time it does get ugly."

The arbitration panel recently levied a fine of $1,500 a day per screen against Miramax for showing "Scream" after the film's title drew a complaint. At the time, "Scream" was on 1,200 screens. The complaint was that "Scream" might be confused with the 1996 film "Screamers," released by the Sony Corp. The matter was resolved privately between Sony and Disney. "Scream" continued to play, and Disney's Miramax will release "Scream II" at Christmas.

Despite the "Scream" situation, money is seldom involved. When Fox's "Independence Day" was released last year, it got a friendly waiver from Warner Brothers Studio, a unit of Time Warner, which released a romantic drama called "Independence Day" in 1983.

LONDON THEATER

Dusting Off the Gaslight Thriller

By Sheridan Morley
International Herald Tribune

LONDON — There is something very curious, not to say mysterious, about Karoline Leach's "The Mysterious Mr. Love" at the Comedy, and it is not just the way the dramatist spells her first name. This is a first full-length play by a (presumably) young writer, and yet had you told me it was a revival of a 1930s gaslight thriller, I would have had no trouble at all with the idea.

The George Love of the title is one of those half-true figures who are forever turning up in now dusty volumes of great trials of 1912 or thereabouts. He is a charming confidence trickster, a kind of turn-of-the-century Alfie, whose dodge is to marry lonely spinsters and then disappear with their often meager wealth. A small-time Dr. Crippen, perhaps, except that there is always an intriguing doubt about whether he plans to kill his victims or merely rob them.

Geraint Lewis

The Reduced Shakespeare Company does the Bible.

It would be unfair to tell you which, since we only find out at the final fade; but what is impressive about the playwright is her considerable talent for dialogue. She has only two characters: Love, amiably played by Paul Nicholas, in his first nonsinging West End appearance, and his victim, an overweight milliner played with a wonderful mix of self-pity and bravado by Susan Penhaligon in several tons of padding.

There was a vogue for these two-handers in the 1960s and Leach has followed the rules of the brief encounter, twisting and turning her characters in a power game that takes off in some new direction just as it is about to run into a blank wall. Bob Tomson has come up with an immensely agile production, and though in its slower moments one is left wondering why a contemporary playwright would wish to return to this moribund snobbery-with-violence convention of fireside thrillers, it is written with considerable expertise, played with great charm, and directed with real brilliance.

"The Bible: The Complete Word of God (Abridged)," at the Gielgud, is the latest offering of the Reduced Shakespeare Company, a remarkable group of originally three (now six) young American comics who have been playing their Reduced Shakespeare just down the road at the Criterion for almost two years now. The joke is much the same as ever: the Bible in 90 minutes, plus interval for changing the Testaments, and the Reduced Shakespeare Company still seems to me a revue or cabaret turn mysteriously promoted to full-scale theatrical life.

What we get here is all known gags about the Bible from Creation to the musical of Armageddon, written and performed in cheery undergraduate style. The fact that the company is now packing two West End theaters (say one-twentieth of the total) suggests that there's a demand for collegiate humor unsatisfied by the present educational system on either side of the Atlantic. All the old jokes are here, from fig leaves to such old groaners as "Denial is not just a river in Egypt"; but the secret of their success has always lain in their treatment of their audience. Here we, or at least those braver than your critic, are hauled up on stage to play all the animals in Noah's Ark, which is done with a remarkably good grace, London theatergoers having always been curiously masochistic in their willingness to pay £20 a ticket and then get mocked in public.

One or two gags are new here, but most are as ancient as the Testaments themselves, though I admit a Beatle fondness for the idea of Jude, the Lord's betrayer, who could take a sad song and make it better.

□

Ed Mirvish and his son David have detonated a bombshell that will reverberate around the British theater for several seasons to come. After almost 15 years, the Canadian father and son owners of the Old Vic have announced that they are "tired" of running a London theater and would like to invite bids for the freehold of somewhere in the region of £7 million ($11.2 million). Their decision may have something to do with the fact that this year, the first of the Peter Hall residency, is going to cost at least a million pounds of debt. But the tragedy is that, for the first time since the National Theatre left the premises for its purpose-built concrete block a few hundred yards north about 20 years ago, the Vic had begun to re-acquire prestige and a sense of purpose.

The Mirvishes bought the Vic for a mere half-million in 1983, beating a rival offer from Andrew Lloyd Webber that was just 10 percent lower. Since then, though the theater was often turned into a receiving house and had one catastrophic neoclassical season under Jonathan Miller, the Mirvishes have spent a fortune restoring and redecorating the theater, so that it is now looking as good as ever it has. Moreover, in a year when the Royal Shakespeare Company seems in midlife crisis as it pulls back from the Barbican, and the National is also in a state of uncertainty as Trevor Nunn succeeds Richard Eyre, Hall has been offering at the Vic a classical company at the very top of its form in such productions as the Ben Kingsley-Alan Howard "Waiting for Godot" and the Felicity Kendal "Waste" and "The Seagull." This year the Vic has time and again proved itself the best theater in the country, and I now fear for its future as well as that of Hall's great company.

BOOKS

CHIEF JUSTICE: A Biography of Earl Warren

By Ed Cray. 603 pages. $30. Simon & Schuster.

Reviewed by
Herbert Mitgang

IN "Chief Justice," a laudatory new biography of Earl Warren, Ed Cray cannot refrain from contrasting the former chief justice with Chief Justice William Rehnquist: "The justices under the intellectually rigid Rehnquist have restricted some rights, particularly the right of appeal in federal courts," he writes. "Still, court observers agree, while the Rehnquist Court has not expanded civil liberties and civil rights, the conservative judicial revolution has fallen short of expectations."

Both chief justices are considered (to use a much maligned word) activists. To oversimplify, it depends on whether you agree or disagree with their interpretations of what the Constitution allows or forbids. For the general reader, a more telling difference emerges here by comparing the associate justices under Rehnquist with the legal stars who sat with Warren. There were giants in those days.

In this hefty book about Warren's life and career as chief justice from 1953 to 1969, several familiar facts are underscored that have become part of our legal and social history.

While attorney general of California after Pearl Harbor, Warren played an unwholesome role in putting Americans of Japanese descent into wartime internment camps; in later years he made up for his anti-libertarian actions by endorsing a law against interning alleged subversives even in wartime.

Warren wrote the unanimous decision in Brown vs. Board of Education of Topeka desegregating the public schools "with all deliberate speed" that changed the face and heart of America's educational system.

As a consequence of this and other decisions, President Dwight D. Eisenhower regretted that he had named Warren to the court because he considered his ideas much too liberal. The president had expected Warren to be, like himself, a moderate Republican who would not rock the ship of state. But Warren's libertarian decisions led radical conservatives to call for his impeachment.

"Chief Justice" delves deeply into these matters from angles personal, political and judicial. The author, a journalism professor at the University of Southern California, delivers an idealized biography that balances the man and his decisions through the voices of friends, family and colleagues.

As one example of the depth of his research, Cray found and interviewed 45 of Warren's former law clerks. They give the reader a behind-the-scenes look at the court's decision-making process: the diplomacy, the arm-twisting, the large egos, the first drafts and final writing credits. It's this kind of inside knowledge that makes "Chief Justice" a readable and innovative work.

Warren's turnaround from California prosecutor to Washington civil libertarian runs all through the story of his 16 years as chief justice. He undoubtedly was influenced by three more experienced and opinionated associate justices — William O. Douglas, Hugo Black and William J. Brennan. They formed a liberal bloc that Felix Frankfurter — usually on the right with fellow conservatives John M. Harlan, Tom C. Clark and Harold H. Burton — sarcastically called the Four.

Associate Justice Charles Whittaker was the swing voter who sometimes joined the liberals in majority rulings.

How did Chief Justice Warren manage to achieve agreements among colleagues with diverse backgrounds and views? His political experience as attorney general and governor of California taught him how to compromise and not try to achieve outright victories. Fairness was his shibboleth.

In the school desegregation case, the author writes, "Warren had neatly framed the argument in moral terms rather than legal." He spoke to the reluctant justices in private before drafting his own opinions. One of his law clerks recalled that he followed the precept that if you wanted to talk to somebody, you did not summon him to your office; you went to his. In the landmark Brown case, Warren pressed for two results: a unanimous decision that would demonstrate the court was unshakable and a ruling unencumbered by concurring opinions that might dilute its legal authority.

"With Brown," Cray writes, "the chief justice had transformed the brethren into 'the Warren Court.' "

AFTER that decision, the court extended its reach into other landmark areas of American life and liberties.

Cray does go a little overboard in his language summing up Warren: "He was like an Old Testament prophet, a conscience to remind us that this nation could be a more perfect union, that we individually could be better, even more noble."

And stylistically, his book could have done with fewer punchy one-sentence paragraphs. But these alarums are more than compensated for by the solid factual and analytical material that Cray has assembled with such dedication in "Chief Justice."

Herbert Mitgang, a journalist and historian, wrote this for The New York Times.

BEST SELLERS

New York Times
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

This Week		Last Week	Weeks on List
1	UNNATURAL EXPOSURE, by Patricia Cornwell	1	3
2	COLD MOUNTAIN, by Charles Frazier	3	6
3	SPECIAL DELIVERY, by Danielle Steel	2	6
4	PLUM ISLAND, by Nelson DeMille	4	11
5	THE NOTEBOOK, by Nicholas Sparks	7	43
6	THE PARTNER, by John Grisham	5	23
7	IF THIS WORLD WERE MINE, by E. Lynn Harris	13	3
8	FAT TUESDAY, by Sandra Brown	6	8
9	UP ISLAND, by Anne Rivers	9	10
10	DECEPTION ON HIS MIND, by Elizabeth George	8	5
11	LONDON, by Edward Rutherfurd	11	11
12	THE GOD OF SMALL THINGS, by Arundhati Roy		1
13	CHASING CEZANNE, Peter Mayle	12	8
14	POWER OF A WOMAN, by Barbara Taylor Bradford	10	5
15	FATAL TERRAIN, by Dale Brown	14	4

NONFICTION

1	ANGELA'S ASHES, by Frank McCourt	1	48
2	THE PERFECT STORM, by Sebastian Junger	3	10
3	INTO THIN AIR, by Jon Krakauer	2	15
4	THE BIBLE CODE, by Michael Drosnin	4	9
5	CONVERSATIONS WITH GOD: Book 1, by Neale Donald Walsch	6	35
6	MIDNIGHT IN THE GARDEN OF GOOD AND EVIL, by John Berendt	5	161
7	THE MILLIONAIRE NEXT DOOR, by Thomas J. Stanley and William D. Danko	9	30
8	BRAIN DROPPINGS, by George Carlin	7	11
9	THE GIFT OF FEAR, by Gavin de Becker	8	7
10	MARTHA STEWART - JUST DESSERTS, by Jerry Oppenheimer	10	5
11	CONVERSATIONS WITH GOD: Book 2, by Neale Donald Walsch	12	13
12	THE DAY AFTER ROSWELL, by Philip J. Corso	13	3
13	JUST AS I AM, by Billy Graham	11	14
14	UNDERBOSS, by Peter Maas	14	16
15	BILLIONS AND BILLIONS, by Carl Sagan	16	3

ADVICE, HOW-TO AND MISCELLANEOUS

1	MIRACLES CURES, by Jean Carper	1	3
2	SIMPLE ABUNDANCE, by Sarah Ban Breathnach	2	71
3	MEN ARE FROM MARS, WOMEN ARE FROM VENUS, by John Gray	3	203
4	MARS AND VENUS ON A DATE, by John Gray	4	7

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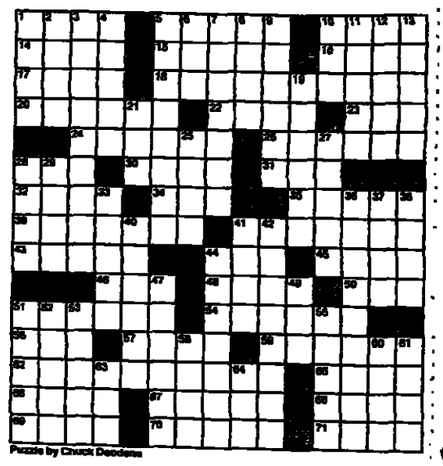
1 Dummy
5 More than unpopular
10 Sooty shaft
14 Kind of sch.
15 Dennis the Menace's mother
16 "—— That a Shame" (1955 hit)
17 Lamb's alias
18 Superior being
20 Compassion
22 Twofold
23 Ballantine brew
24 Annoying critic
26 Aswan Dam lake
28 Pizza
30 Foe of the Iroquois
31 Quick swim
32 The East
34 As well as
35 Kind of situation
39 Absolute flop
41 Deplete, perhaps
43 "—— your life!"
44 Poetic preposition
45 Had no doubts
46 —— gestae
48 "Internal Affairs" star, 1990
50 "Der Ring —— Nibelungen"
51 Yule garland
54 Talk turkey?
56 Mahler's homeland: Abbr.
57 Vow
59 "A Midsummer Night's Dream" king
62 Word to a cold sufferer
65 Permitted
66 "Paradise Lost" setting
67 Clear
68 Michener tale, e.g.
69 MGM Grand site
70 Africa's largest nation
71 Proof word

DOWN
1 Pager cue
2 Stew crock
3 Prevailing mood
4 College World Series site
5 Traditional wife
6 R.&B. singer —— Sure
7 Like Grateful Dead attire
8 Beige
9 Insist on
10 Groupie
11 Loeb and Bonet of showbiz
12 Cry of defeat
13 Early anesthetic
19 Julia Louis-Dreyfus TV role
21 Flowery tribute
25 Fluff
27 Hybrid eating utensil
28 Hock
29 Golfer Aoki
33 Now, in Nogales
36 "Splendid!"
37 "Ah!"
38 Part of CNN
40 Gravel order, perhaps
41 Nabisco sweet
42 Prohibited
44 Brainiac
47 Secret Service eyewear
49 Recede
51 Vegas transaction
52 —— Rivoli (arcaded Paris street)
53 Ruhr city
55 Pay for monthly
58 Like some traffic
60 Marathoner Markova
61 Tidy
62 Lively card game
64 "This —— test ..."



Puzzle by Chuck Deodene

© New York Times/Edited by Will Shortz.

Solution to Puzzle of Aug. 19

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Ironing Out Problems At Clothier

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Rolling

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International Herald Tribune

BUSINESS/FINANCE

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WEDNESDAY, AUGUST 20, 1997

Ironing Out Problems At Clothier

Laura Ashley to Curb Operations Amid Loss

Compiled by Our Staff From Dispatches

LONDON — Laura Ashley Holdings PLC said Tuesday it would report a first-half loss, close two of its six British factories and curtail the opening of U.S. stores as the clothing retailer attempts to revive its flagging fortunes.

First-half pretax losses will be about £4.5 million ($7.2 million), including a one-time charge of £1 million to close two factories in Wales with the loss of 190 jobs. For the full year to January 1998, the company predicted it would break even, compared with pretax profit of £16.2 million a year earlier.

"Putting the U.S. on hold while they sort it all out is good news," said Richard Ratner, analyst at Mees Pierson & Co. "There is still a management problem though: Do they have the ability to attract top people to work with them?"

The news comes amid a series of problems at the company, which has struggled as the popularity of its flowery, prim, English-country clothing and furnishings faded. Three top executives, including its chief designer, have left in the past three months amid a flurry of profit warnings, press reports of management discontent and disclosures that sales are slowing and stocks of merchandise rising.

After losses in 1990, 1991, 1992 and 1995, Laura Ashley appointed Ann Iverson, an American, as chief executive officer. She had previously brought Storehouse PLC's Mothercare baby goods retail unit back to health in the 1980s.

Ms. Iverson said this year's setbacks meant that Laura Ashley's recovery would take longer than the three-to-four-year period she had predicted when she joined the company in 1995.

"Clearly, this year is going to be disappointing," she said, "but once we correct the problems that we've identified, I think we will get back into the turnaround. So it has been delayed."

Ms. Iverson's aggressive expansion in the United States, coupled with cost-cutting, helped lift profit and sent Laura Ashley's stock price to as high as 219 pence in September. The good times abruptly ended when the company warned in April that it had moved too fast and would have to sell off excess stock at a big discount. Since then, the shares have fallen sharply. On Tuesday, the stock fell 2 pence, to 54.5 pence.

Sales in the first half rose 17 percent from a year earlier, or 11 percent after adjusting for the strength of the pound.

Adrian Dennis/The Associated Press

FLYING HIGH — Richard Branson, left, chairman of Virgin Atlantic Airways, and Sir Freddie Laker, an airline entrepreneur, after a meeting Tuesday in London with members of the U.S. Congress to discuss the proposed alliance between British Airways PLC and AMR Corp.'s American Airlines. BA's chief executive, Robert Ayling, said Mr. Branson opposed the alliance because he was "afraid of new competition."

Swiss Bank Profits Weather Nazi Issue

By John Tagliabue
New York Times Service

Despite an international black eye for their handling of the accounts of victims of the Nazis, the big three Swiss banks are staging a remarkable recovery from their worst year in history.

Last week, Swiss Bank Corp. said that its profit surged 84 percent in the first half of 1997, to 1.326 billion Swiss francs ($877 million).

Earlier, the Union Bank of Switzerland reported a 67 percent rise in first-half earnings, to 1.856 billion francs.

Though Credit Suisse, the largest of the three in terms of assets, will not formally report its results until next week, it disclosed a 70 percent increase in first-half net income, to 1.41 billion francs, last week when it announced a proposed $8.8 billion takeover of Winterthur Insurance Co.

All three banks said they had benefited from increased earnings on securities trading in the global bull market, from cost-cutting measures applied last year, and from the dollar's recent surge, which resulted in higher franc earnings from operations in dollars. Swiss banks report earnings twice a year, not quarterly.

The results were welcome relief for the big three, all of which declared losses in 1996 for the first time after making large provisions for bad debts resulting from a depressed Swiss economy.

So why the quick turnaround?

"There has been a positive climate for the banks," said Thomas Kalbermatten, chief banking analyst with UBS Research in Zurich.

"Interest rates have been falling, inflation is low, and domestically, the banks have done tremendous restructuring."

That is not all. The banks are also profiting from an aggressive policy of expansion. Swiss Bank Corp., for instance, said that net income at SBC Warburg, the merger of its international division with S.G. Warburg Group PLC, the British merchant banking house it acquired in 1995, rose 60 percent, to $455 million.

And if world stock markets shrug off recent declines and resume rising, Swiss Bank stands to reap big profits from its acquisition in May of the Wall Street investment bank Dillon, Read and from the proposed creation of an investment bank and asset-management business with the Long-Term Credit Bank of Japan.

Analysts expect all three banks to remain highly profitable in the second half, but they, like the market, have reacted coolly to Credit Suisse's planned acquisition of Winterthur through a stock swap.

Hans Kaufmann, research director of Bank Julius Baer in Zurich, switched his investment recommendation for Credit Suisse to sell from hold. The acquisition will presumably increase Credit Suisse's overall earnings, he said, but it will also dilute per-share earnings.

"They could have had the same effect on earnings with cost controls," Mr. Kaufmann said.

In contrast to his wariness on Credit Suisse, Olaf Conrad of Morgan Stanley International in London is bullish on the Swiss Bank Corp., thinking that it will outperform the overall Swiss market.

Its acquisition of Dillon, Read and its moves into Japan show that the bank is "clearly continuing its global expan-

See BANKS, Page 15

3 HCA Executives Say They Did Not Overbill

U.S. Goverment to Widen Inquiry

Compiled by Our Staff From Dispatches

FORT MYERS, Florida — Three Columbia/HCA Healthcare Corp. executives pleaded not guilty in U.S. District Court on Tuesday to charges that they conspired to overbill government health-insurance programs.

Michael Neeb, Robert Whiteside and Jay Jarrell were accused in a grand jury indictment of falsifying cost reports used for reimbursement from Medicare on behalf of Fawcett Memorial hospital, a Columbia/HCA facility in Port Charlotte, Florida.

The indictments against the three men are the only ones so far in the investigation into whether Columbia/HCA overbilled the government and whether it violated federal laws by giving doctors financial incentives to refer patients to its hospitals.

The prosecutor in the case, Kathleen Haley, has already indicated that the investigation is more widespread. Ms. Haley has said that more indictments are likely.

A favorite of Wall Street just a few months ago, Columbia/HCA's fortunes began to turn in March after a federal raid of Columbia/HCA hospitals in El Paso, Texas. Soon after, federal officials said that the government was reviewing whether the Nashville, Tennessee-based hospital chain had overbilled Medicare, the government health-insurance program for the elderly.

Columbia/HCA shares, which reached a 52-week high of $44.875 on Feb. 18, fell 62.5 cents to $33 in New York.

Last month, federal agents raided other Columbia/HCA facilities.

The raids were followed by the resignations of Richard Scott, then Columbia/HCA chairman, and David Vandewater, the second in command. The new management, led by Dr. Thomas Frist Jr., purged the Columbia/HCA ranks of several executives. Dr. Frist hired law and accounting firms to review Columbia/HCA's operations.

Dr. Frist also announced that the company would sell its home-care agencies, which are at the heart of the federal investigation.

More than a dozen people associated with Columbia/HCA secretly filed separate lawsuits against the company under federal whistle-blower laws, contending that the company had engaged in schemes to defraud national health care programs, government officials said.

The sealed lawsuits, which were brought under laws that allow individuals to sue on behalf of the government, were filed long before federal agents raided Columbia last month. Several of the individuals who filed the suits were said to have provided information that government investigators used in developing their criminal inquiry.

Victor Campbell, senior vice president and spokesman at Columbia, said that the new management had repeatedly expressed interest in hearing any allegations from employees of wrongdoing. *(Bloomberg, NYT)*

Insurance Bid To Beget Giant

The Associated Press

WINNIPEG, Manitoba — Great-West Lifeco Inc. said Tuesday that it wanted to buy a rival Canadian insurer, London Insurance Group Inc., for 2.9 billion Canadian dollars ($2.08 billion.)

The offer of 33.50 dollars a share tops a bid announced in late June by the Royal Bank of Canada.

That offer, worth 27.50 dollars a share, was endorsed by the London Insurance board.

Great-West said that a combination with London Insurance would create Canada's largest insurer with assets of 52.8 billion dollars and 3,600 sales representatives.

Stock in London Insurance jumped 6.45 dollars, to 33.50 dollars in afternoon trading. Great-West Lifeco shares rose 45 cents, to 33.30 dollars.

Investors Group Inc., Canada's biggest mutual fund company, would participate in the deal by acquiring about 8 to 10 percent of Great-West's common stock, Great-West said.

MEDIA MARKETS

Rolling Stones and Sprint Go on Tour

Reuters

NEW YORK — In a bid to add some attitude to its image, Sprint Corp. will be the sole sponsor of the North American segment part of the Rolling Stones' upcoming concert tour.

For Sprint, the third-largest long-distance U.S. phone company, the deal offers the chance to raise its profile and provides a link to an enormously popular band. The Stones, in turn, will get an estimated $5 million to $6 million in the deal and plenty of wireless phones.

"It was obvious, the Rolling Stones and Sprint are a perfect fit," Sprint's chairman, William Esrey, told a packed outdoor news conference under the Brooklyn Bridge. "They were the original rock and roll rebels. Sprint is willing to break from convention and redefine telecommunications."

The band — Mick Jagger, Keith Richards, Ron Wood and Charlie Watts — appeared at the event and announced that the "Bridges to Babylon" tour begins Sept. 13 in Chicago. The North America portion ends in February. An album with the same title was recorded in the spring in Los Angeles and is set for release Sept. 30 on Virgin Records.

Sprint executives said the sponsorship would give them several ways to harness the Stones' marketing muscle. A tour logo even shows the pin from Sprint's "so quiet you can hear a pin drop" advertisements sticking through the protruding tongue of the Rolling Stones' logo.

The cost to Sprint was not disclosed, but Tim Kelly, assistant vice president for advertising and sponsorship, said published reports of $5 million to $6 million were "in the ballpark."

"We wanted to do something provocative," Mr. Kelly said. "What better opportunity than this."

Mr. Kelly said a key element of the tie-in would be giving customers who signed up for Sprint service priority in buying concert tickets.

The company also will be allowed to use the Stones' image and music in television ads to be run in the cities of the concert tour, Mr. Kelly said.

Another benefit to Sprint will be the availability of choice seats, which the company can use to entertain major corporate customers.

Sprint, based in Kansas City, Missouri, will provide the Stones with a variety of telecommunications services such as wireless phones, long distance phoning and fax services.

Mr. Kelly said the Stones' longevity — this will be their 13th North American tour in 33 years and band members are well into their 50s — has shown the band has broad popularity.

"The Stones are the preeminent rock 'n' roll band," he said. "They speak to a broad spectrum. It's rare to find a musical group that has that much appeal."

Sprint got a small, but immediate payoff, sharing the media spotlight with the Stones at Monday's press conference, which was attended by more than 300 journalists.

With Mr. Jagger behind the wheel, the four band members arrived in a bright red, 1955 Cadillac convertible after traveling across the bridge with a police escort. "We're really pumped up for it," Mr. Jagger said.

CURRENCY & INTEREST RATES

Cross Rates

Aug. 19

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	2.0695	3.3535	1.126	0.3343	0.1153*	—	5.453*	1.3662	1.75*	1.486	1.333*
Brussels	37.93	61.02	20.65	6.1306	2.1164*	18.3375	—	25.0725	0.321	27.33	24.58*
Frankfurt	1.8365	2.9515	—	0.2988	0.1025*	0.8881	4.8407*	1.2141	1.5536*	1.3271	1.1838*
London (a)	1.6052	—	2.9496	9.9363	2,879.68	3.3216	60.9392	2.432	189.8648	2.2371	249.21
Madrid	154.897	248.589	84.479	25.077	8.659*	75.926	4.0912	102.496	130.876*	111.497	—
Milan	1,790.68	2,876.75	975.80	289.47	—	865.95	47.168	1,184.85	15.177	1,289.75	11.537
New York (b)	—	1.6060a	1.8408	6.1995	1,796.00	2.0724	37.78	1.5137	118.185	1.3941	154.88
Paris	6.1167	9.929	3.3688	—	0.3455*	2.9919	0.1631	4.0873	5.227*	4.4459	3.985*
Tokyo	118.25	189.76	64.46	19.14	0.661	57.25	3.1217	78.08	—	85.26	0.7631
Toronto	1.3942	2.2382	0.7581	0.2251	0.0778*	0.6733	0.3671*	0.9205	1.1882*	—	0.898*
Zurich	1.513	2.4329	0.823	0.2444	0.0853*	0.7311	3.9866*	—	1.28*	1.0883	0.9742*
1 ECU	1.077	0.667	1.9746	6.6571	1,926.57	2.2234	40.7739	1.6275	127.265	1.4962	166.811
1 SDR	1.3552	0.8429	2.4875	8.3787	2,424.30	2.7978	51.4671	2.05	140.144	N.Q.	209.907

Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers: New York rates at 4 P.M.; Toronto rates at 3 P.M.
*a: To buy one pound. b: To buy one dollar; *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9999	Greek drac.	288.32	Mex. peso	7.766	S. Afr. rand	4.6825
Australian $	1.3534	Hong Kong $	7.7405	N. Zealand $	1.5593	S. Kor. won	898.70
Austrian sch.	12.91	Hung. forint	195.88	Norw. krone	7.6393	Swed. krona	8.015
Brazil real	1.09	Indian rupee	35.71	Phil. peso	30.00	Taiwan $	28.72
Chinese yuan	8.3185	Indo. rupiah	2980.0	Polish zloty	3.48	Thai baht	32.55
Czech koruna	33.87	Irish £	0.6833	Port. escudo	185.30	Turkish lira	163415.
Danish krone	6.9887	Israeli shek.	3.531	Russ ruble	5810.5	UAE dirham	2.7226
Egypt. pound	3.3943	Kuw dinar	0.3028	Saudi riyal	3.7505	Venez. boliv.	494.98
Fin. markka	5.4563	Malay. ring.	2.7965	Sing. $	1.5150		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6051	1.6033	1.6011	Japanese yen	117.65	117.12	116.59
Canadian dollar	1.3867	1.3844	1.3819	Swiss franc	1.5061	1.5017	1.4958
Deutsche mark	1.8303	1.8268	1.8232				

Sources: ING Bank (Amsterdam), Indosuez Bank (Brussels), Banca Commerciale Italiana (Milan), Banque de France (Paris), Bank of Tokyo-Mitsubishi (Tokyo);

Libid-Libor Rates

Aug. 19

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5 5/8 - 5 3/4	2 7/8 - 3 1/8	1 7/16 - 1 9/16	7 1/8 - 7 3/16	3 3/16 - 3 5/16	7/16 - 9/16	4 1/8 - 4 1/4
3-month	5 9/16 - 5 11/16	3 1/16 - 3 3/16	1 3/8 - 1 1/2	7 1/8 - 7 1/4	3 1/4 - 3 3/8	1/2 - 5/8	4 3/16 - 4 5/16
6-month	5 1/2 - 5 3/4	3 1/16 - 3 3/16	1 1/2 - 1 5/8	7 3/8 - 7 1/2	3 3/8 - 3 1/2	1/2 - 5/8	4 5/16 - 4 7/16
1-year	5 5/8 - 5 13/16	3 3/8 - 3 1/2	1 9/16 - 1 11/16	7 5/8 - 7 3/4	3 9/16 - 3 11/16	9/16 - 11/16	4 1/4 - 4 1/2

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Close	Prev
Discount rate	5.00	5.00
Prime rate	8 1/2	8 1/2
Federal funds	5 5/8	5 1/2
90-day CDs dealers	5.59	5.59
180-day CP dealers	5.52	5.52
3 month Treasury bill	5.09	5.11
1-year Treasury bill	5.22	5.20
2-year Treasury bill	5.81	5.80
5-year Treasury note	6.05	6.04
7-year Treasury note	6.12	6.11
10-year Treasury note	6.20	6.20
30-year Treasury bond	6.51	6.52
Merrill Lynch 30-day RA	5.12	5.13
Japan		
Discount rate	0.50	0.50
Call money	0.42	0.42
1-month interbank	0.49	0.49
3-month interbank	0.54	0.54
6-month interbank	0.57	0.57
10-year Govt bond	2.31	2.32
Germany		
Lombard rate	4.50	4.50
Call money	3.10	3.05
1-month interbank	3.18	3.10
3-month interbank	3.27	3.19
6-month interbank	3.42	3.35
10-year Bund	5.83	5.89
Britain		
Bank base rate	7.00	7.00
Call money	7 1/16	7 1/4
1-month interbank	7 1/8	7 1/4
3-month interbank	7 5/16	7 5/16
6-month interbank	7 7/16	7 1/4
10-year Gilt	7.01	7.01
France		
Intervention rate	3.10	3.10
Call money	3 3/16	3 1/8
1-month interbank	3 3/16	3 1/4
3-month interbank	3 1/4	3 5/16
6-month interbank	3 3/8	3 5/16
10-year OAT	5.52	5.55

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	321.85	323.10	+ 0.20
London	322.10	22.10	— 0.50
New York	324.70	326.50	+ 1.80

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Dec.)
Source: Reuters.

Global Private Banking

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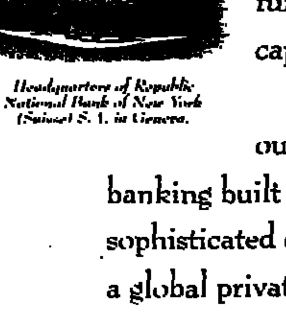

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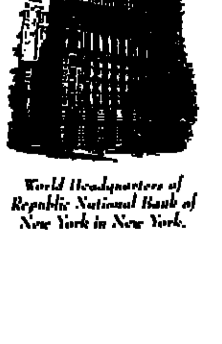

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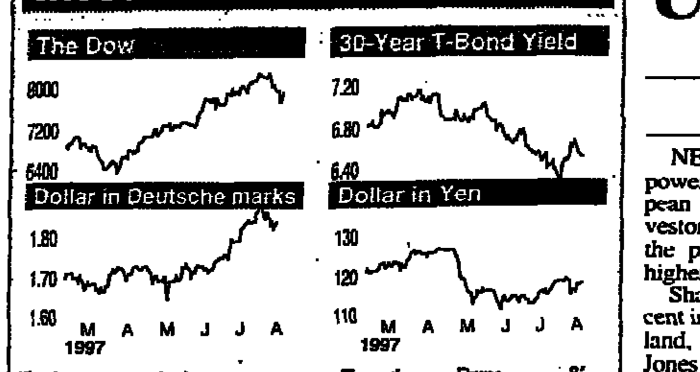
THE AMERICAS

Investor's America



Exchange	Index	Tuesday @4PM	Prev. Close	% Change
NYSE	The Dow	7918.10	7803.36	+1.47
NYSE	S&P 500	926.01	912.49	+1.48
NYSE	S&P 100	900.92	887.78	+1.49
NYSE	Composite	479.54	473.55	+1.26
U.S.	Nasdaq Composite	1600.71	1569.53	+1.99
AMEX	Market Value	641.20	634.59	+1.04
Toronto	TSE Index	6715.80	6649.70	+0.99
São Paulo	Bovespa	11240.73	11132.03	+0.98
Mexico City	Bolsa	5041.46	4933.77	+2.18
Buenos Aires	Merval	850.01	838.71	+1.35
Santiago	IPSA General	5617.23	5586.60	+0.55
Caracas	Capital General	N.A.	9232.07	-

Source: Bloomberg, Reuters — International Herald Tribune

U.S. and European Stocks Get Back on Track to Gains

By Erik Ipsen
International Herald Tribune

NEW YORK — Optimism had a powerful rebirth in U.S. and European markets on Tuesday as investors shrugged off the gyrations of the past week and pushed prices higher once again.

Shares soared by more than 3 percent in the Netherlands and Switzerland, while in New York, the Dow Jones industrial average rose 114.74 points, or 1.5 percent, to 7,918.10.

"If you cannot find a good reason for stocks to go down, maybe they should not have gone down in the first place," said Thomas McManus, chief investment strategist for NatWest Securities in New York. The last psychological barriers for yet another run by the bulls were swept away Tuesday afternoon when, as expected, the Federal Reserve Board's Open Market Committee announced that it would leave interest rates untouched, leaving the federal-funds target rate at 5.5 percent.

A report earlier in the day had confirmed investors' faith that all was well with the universe. Allaying fears of an explosion in economic growth that might rekindle inflation, the Commerce Department reported that housing starts in July had held steady with the moderate levels of the previous month at an annual rate of 1.447 million.

Similarly, the end of the United Parcel Service strike that had idled 185,000 workers and had raised fears on Wall Street of a shift of power back in the direction of organized labor, also came as good news. Analysts saw little in the details of the new proposed contract that might unleash a surge in labor costs either at UPS or elsewhere.

European markets, inspired by the strong 108.70 point bounce in the Dow on Monday (after Friday's 247 point faint) and by the prospect of robust corporate earnings growth in their own front yard, had their best day in weeks. Underlying Switzerland's buoyant market, for instance, are expectations that corporations there will raise their dividends an average of 55 percent this year.

In London, where the FTSE-100 Index closed up 79 points, or 1.6 percent, the rally once again was led by shares in pharmaceutical, oil, and banking companies. Germany's DAX index soared 2.2 percent, led by shares in the auto industry and hopes that the weak Deutsche mark would fatten profits for exporters.

The snap-back in equity markets on both sides of the Atlantic was so

STOCK MARKETS

strong that some analysts expressed concern. "I really would like to have seen a 5 percent shake-out," said Robert Kerr, equity strategist for Nikko Securities in London. "These prices are justified only if you believe that we will have low inflation and moderate economic growth forever."

In Europe and America, many analysts concede that stocks are rising because there is simply a lot of cash around looking for a profitable parking place in a world where the relative rewards for holding cash verge on the punitive.

Even many bulls now think that stock prices may coast for a bit rather than continue their steep ascent. In Germany, where the DAX has now gained 44 percent this year, and in the Netherlands, where the main stock index has turned in Europe's best performance — a rise of 46 percent, most analysts say there is little prospect of maintaining the rally at that pace in the last third of the year.

On Wall Street, where the Dow is up 23 percent this year, but where the rally has gone far longer and carried the averages far higher than in Europe, analysts also see signs of a slowdown. With consumer price inflation running at its lowest rate in 11 years and with producer prices now having declined for seven months in a row — the longest string of reversals since the 1930s — many market strategists have turned their sights on bonds.

Reading the Fed's inaction on Tuesday as an "all clear" on the inflation front, bond buyers pushed prices higher for the second day in a row. The price of the 30-year Treasury bond rose 6/32, to 98 9/32, pulling the yield on the benchmark issue down to 6.51 percent from 6.52 percent.

■ Computer Issues Rise

Computer-related shares rose as investors anticipated a positive earnings report from Dell Computer, Bloomberg News reported.

"Technology's a good place to be going into the second half of the year," said Stephen Dalton, a fund manager with Corestates Investment Advisers in Philadelphia. Computer makers benefit from Christmas sales and the launch of new products in the second half of the year, Mr. Dalton said.

Investors are putting money into high-tech stocks, which look attractive now that many are below their peaks for the year, Mr. Dalton said.

The Nasdaq Composite Index, which contains many technology issues, rose 31.19 points, or 2 percent, to 1,600.71. Intel, Microsoft and Dell were the most active issues on U.S. exchanges; all three posted strong gains.

Very briefly:

Microsoft's Apple Stake Reviewed

NEW YORK (AP) — The Justice Department on Tuesday said it was reviewing Microsoft Corp.'s proposed $150 million stake in Apple Computer Inc. and three other recent investments to determine if they could hinder competition in the high-technology business.

In addition to Apple, the inquiry focuses on Microsoft's purchase of stakes in three companies that make video technology for the Internet, Gina Talamona, a Justice Department official, said. The companies are VDONet Corp., Progressive Networks Inc., and VXtreme Inc.

Microsoft said that it was unaware of the Justice Department's review of its stake in Apple but confirmed that it had received requests for information for its investments in companies that make the video technology. "We are confident that the Justice Department will conclude that competition is robust once it reviews the facts," Microsoft said.

- **Advanced Energy Industries Inc.**'s shares fell after the company said it would take charges of up to $6.1 million in the third quarter for an acquisition and to pay for water damage to its headquarters. Advanced's shares closed at $27.625, down $4.00.
- **URS Corp.** agreed to buy **Woodward-Clyde Group Inc.** for $35 million in cash and $65 million in stock, creating the fifth-largest U.S. engineering firm.
- **Gannett Co.**'s board approved a 2-for-1 stock split and a 5.6 percent increase in its quarterly dividend, to 38 cents.
- **Ameritech Corp.**'s bid to become the first Baby Bell telephone company to offer its customers long-distance phone service was rejected by U.S. regulators.
- **Home Depot Inc.**'s second-quarter profit rose a better-than-expected 32 percent, to $358 million, as it cut costs.
- **Qualcomm Inc.** rejected a move by **Motorola Inc.** to add seven patents to its infringement claim suit. *Bloomberg, AFX*

MARKETS: *Asian Central Banks Raise Rates and Sell Dollars in Renewed Defense of Currencies*

Continued from Page 1

speculators sent the baht and the Indonesian rupiah to record lows against the dollar before authorities responded.

Bangkok approved an austerity budget and increased the amount it will borrow under an International Monetary Fund-backed plan to $20 billion from $16.7 billion. Finance Minister Thanong Bidaya said the government was negotiating with the Bank for International Settlements for an additional $3.3 billion credit line, AFX News reported from Bangkok.

In offshore trading in Singapore, the dollar rose to a record high of 32.75 baht.

Indonesia, meanwhile, increased interest rates on short-term government bonds to prop up its currency. After the dollar rose to a record 3,035 rupiah, Bank Indonesia, the central bank, raised rates for the bonds by as much as 18.375 percentage points, to 30 percent. With that incentive, investors came back to the Indonesian currency, and the dollar ended the day at 2,882.5 rupiah, a 3.2 percent gain over its close on Monday.

Jakarta abandoned its rupiah peg last week, following a similar move by Thailand on July 2. The currency weakness in the region reflects a slowdown in economic growth that has discouraged investors and made it difficult for the export-driven countries to pay their debts. Linking the value of its money to a hard currency such as the dollar makes a developing country attractive to investors but can be a burden for exporting companies as well as requiring high interest rates.

With the Indonesian peg abandoned, only Hong Kong among the major Southeast Asian countries links its currency to the dollar. Yet, currency fears Tuesday sent Hong Kong shares into their sharpest decline since the territory reverted to Chinese rule July 1. Hong Kong interest rates rose sharply and the subsequent weakness of Hong Kong shares sent stock prices in Shenzhen and Shanghai plummeting as well. The Hang Seng index fell 3.85 percent, while various indexes of B-class Chinese shares, those available to foreign investors, fell 4 percent to 11 percent.

The South Korean won fell to a seven-year low before the central bank intervened by selling up to $1 billion in foreign-currency reserves, traders said. Ostensibly triggered by intensifying worries about the nation's bankruptcy-prone industrial conglomerates and its debt-ridden financial sector, the drop in the won's value also reflected fears it could soon come under attack from speculators, analysts said.

The won's weakness could also reflect the slump in the Southeast Asian currencies, which puts South Korean exporters at a disadvantage against their rivals in those countries. The dollar traded as high as 901 won, a record since the currency peg began in 1990, although it was quoted late in the day at 893, up from 891 on Monday.

In response to its weakening economy, the South Korean government said it would raise spending next year by only 5 percent, down from a 13 percent budget expansion this year.

The Thai cabinet voted Tuesday to trim spending by 6 percent, to 923 billion baht in the year that begins Oct. 1. But that reduction may fall short of the IMF's demands, which reportedly range up to 100 billion baht.

As economic growth has slumped to its slowest pace since the 1960s and bad debts at banks have surged, the Thai government, a six-party coalition, has come under pressure to resign. Officials estimate growth of 3 percent in the next two years, down from rates near 10 percent a decade ago.

■ Dollar Rises Against Mark

The dollar rose against the Deutsche mark as U.S. stocks climbed and the Bundesbank left German interest rates unchanged, Bloomberg News reported from New York.

"There's confidence in U.S. assets and therefore confidence in the U.S. dollar," said Ralph Delzenero of First Chicago NBD Corp.

In 4 P.M. trading, the dollar was at 1.8408 DM, up from 1.8335 DM on Monday.

Against other major currencies, it rose to 118.185 yen from 118.00 and to 6.1995 French francs from 6.1705 francs.

But it dropped to 1.5137 Swiss francs from 1.5170 francs. The pound fell to $1.6060 from $1.6062.

The dollar rose to 1.3941 Canadian dollars from 1.3885, prompting the Bank of Canada to intervene, following a report indicating that domestic inflation is not a threat and that the Bank of Canada will not have to raise interest rates soon.

Thai Cabinet Clears Budget Cuts

AFX News

BANGKOK — Thailand's cabinet has approved reductions totaling 59 billion baht ($1.84 billion) from the budget for the year to September 1998, a Budget Bureau official said Tuesday.

The International Monetary Fund reportedly had asked the government to cut 100 billion baht from the original 980 billion-baht budget.

Finance Minister Thanong Bidaya said the government had opened negotiations with the Bank for International Settlements to borrow an additional $3.3 billion.

Mr. Thanong also said that the current two-tier trading system for the baht would remain in effect "until the baht stabilizes."

The government's planned cuts will include reducing investment by about 10 percent.

The transport and communications budget would be lowered by 9.5 percent, while the defense budget would be cut by 7 percent.

The Interior Ministry's budget would be cut by 8 percent, and the Health Ministry's budget would be trimmed by 4 percent.

Mr. Thanong said the cabinet had backed a Bank of Thailand study on strengthening the supervision of financial institutions.

"The authorities will make sure that financial institutions have sufficient provisions and increase capital if necessary. The authorities will also monitor internal management of financial institutions," he said.

AMEX

Tuesday's 4 P.M. Close
The top 300 most active shares, up to the closing on Wall Street.
The Associated Press

Stock	Sales	High	Low	Latest	Chge
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

U. S. STOCK MARKET DIARY

Indexes

Dow Jones

	Open	High	Low	Last	Chg.
Indus	7645.27	7918.80	7802.20	7918.10	+114.74
Trans	2873.69	2882.09	2868.32	2880.41	+6.55
Util	232.43	232.34	230.31	232.34	+1.97
Comp	2435.69	2453.07	2427.11	2452.90	+24.85

Standard & Poors

	High	Low	Previous Close	Today 4 P.M.
Industrials	1072.68	1049.41	1072.62	1088.70
Transp.	654.98	646.39	654.93	666.14
Utilities	197.05	194.29	197.05	198.67
Finance	105.26	103.15	105.23	106.60
SP 500	912.57	893.34	912.49	926.01
SP 100	888.07	864.58	887.78	900.92

NYSE

	High	Low	Last	Chg.
Composite	479.54	473.55	479.54	+5.99
Industrials	606.27	597.93	606.27	+8.34
Transp.	433.20	422.50	433.08	+2.98
Utility	287.35	285.36	287.32	+1.96
Finance	446.71	441.58	446.61	+5.03

Nasdaq

	High	Low	Last	Chg.
Composite	1600.71	1578.03	1600.71	+31.19
Industrials	1262.26	1247.78	1262.26	+18.31
Banks	1708.93	1693.92	1706.86	+14.26
Insurance	1697.71	1689.62	1696.12	+6.64
Finance	2034.39	2020.44	2034.39	+16.26
Transp.	1010.45	1004.59	1008.00	+3.07

AMEX

High	Low	Last	Chg.
641.20	634.59	641.20	+6.61

Dow Jones Bond

	Close	Chg.
20 Bonds	104.22	+0.09
10 Utilities	101.60	+0.01
10 Industrials	106.83	+0.16

Most Actives

NYSE

	Vol.	High	Low	Last	Chg.
BayNtwk	103657	37¾	35⅞	37½	+3⅛
Compaq s	75298	61⅝	58⅞	60⅝	+7⅜
Pfizer s	71493	53⅝	52⅛	53⅛	+1⅛
GenElec s	60495	66⅞	65⅜	66⅞	+1⅛
MicrnT	59710	46⅛	44⅝	46⅛	+1⅛
Gillette	54455	86⅞	84⅛	85⅝	+2¾
AMD	51683	42¼	40⅞	41⅞	-1⅛
CocaCl	51668	60⅝	60⅛	60⅛	+⅛
TJX s	50579	27⅞	26⅛	27⅞	+1⅞
HewlettPk	50016	64⅞	63⅝	64⅞	+1⅝
MontryR n	48314	20⅞	20⅛	20⅛	
AT&T s	46720	40⅝	40⅛	40⅛	-⅛
IBM s	46543	108	104⅝	108	+4
NikeB s	43356	59⅞	56⅝	57⅞	-1⅝
PhilMors	42436	44⅝	44⅛	44⅛	-⅛

Nasdaq

	Vol.	High	Low	3:45	Chg.
Intel s	150538	97⅞	95	97¾	+2⅝
Mcrsft s	100871	138¾	134⅝	137⅞	+4
DellCpt s	97702	86¾	83	84⅞	+1⅜
Oracle s	90434	40⅝	39	40¼	+2⅛
Ascend	87781	47⅝	45½	46¾	+1⅜
Biectrl	78182	⅝	⅜	⅝	
SunMic s	76599	50⅞	47¾	49⅞	+2⅝
3Com	69950	54⅝	52⅛	53⅝	
ForeSys	62588	20	18½	19⅞	+1⅛
Cisco	42196	76⅝	75⅛	75⅞	-⅛
MCI	61068	34⅞	34⅛	34⅝	+⅛
ApldMat	59214	103	98	102	+2⅞
Novell	58254	8⅞	8⅝	8¾	+⅛
AccuMed	57318	4	3¼	3⅝	+⅝
Amgen	54668	51¾	50	50⅝	+⅞

AMEX

	Vol.	High	Low	Last	Chg.
SPDR	36948	92⅝	91⅛	92¾	+
TWA	12095	7⅛	6⅞	7⅛	+⅛
Harken	11941	5⅞	5⅝	5⅞	+⅛
Nabors	6627	31⅞	30⅝	31⅞	+1⅛
DI Ind	5566	5⅝	5⅜	5⅝	+⅛
XCL Ltd	5445	⅛	⅛	⅛	
ViacB	5435	30⅞	29¾	30⅞	+⅞
NY Times	4899	47⅝	46⅛	47⅝	+1⅛
Amdhl	4228	11⅝	11⅛	11⅛	
JTS Corp	4190	⅛	⅛	⅛	

Trading Activity

NYSE

	Close	Prev.
Advanced	2046	1419
Declined	817	1474
Unchanged	543	523
Total issues	3406	3416
New Highs	97	65
New Lows	14	30

Nasdaq

	Noon	Prev.
Advanced	1957	1895
Declined	1360	2190
Unchanged	2102	1669
Total issues	5419	5754
New Highs	85	124
New Lows	63	70

AMEX

	Close	Prev.
Advanced	371	243
Declined	217	336
Unchanged	147	162
Total issues	735	741
New Highs	30	73
New Lows	3	11

Market Sales

	Today 4:00	Prev. cons.
NYSE	545.58	617.21
Amex	21.53	25.56
Nasdaq	612.19	545.60

In millions.

Dividends

Company	Per	Amt	Rec	Pay
IRREGULAR				
CadSchweppes	b	.3476	9-19	12-1
Cross Timber Roy	-	.1473	8-29	9-15
Elsevier NV	b	.2803	8-22	10-14
Hanson ADR	b	.402	-26	10-31
Permain Basin	-	.0227	8-29	9-15
Rexam PLC	b	.031	8-22	10-7
San Juan Basin	-	.0714	8-29	9-15
WMC Ltd ADR	b	.2077	9-25	11-3
STOCK SPLIT				
Gannett Co 2 for 1 split.				
STOCK				
FNB Fincl	-	.333%	9-5	9-12
REVERSE STOCK SPLIT				
Beverage Store 1 for 2½ reverse split.				
Mego Fincl .473 shares of Mego Mortgage for each share held.				
INCREASED				
Am Greetings A	Q	.18	8-27	9-10
Fst Merchants	Q	.28	9-5	9-19
Gannett Co	Q	.38	9-12	10-1
Roslyn Bncp	Q	.06	9-2	9-12
Statewide Fincl	Q	.11	9-5	9-29
INITIAL				
CommunityBnSC n	-	.075	9-2	9-15
Dekalb Genetic Bn	-	.035	8-29	9-12
Old Guard	-	.05	9-2	9-16
Raper Indust n	-	.06	10-17	10-31
REGULAR				
Blount Inc A	Q	.1265	9-15	10-1
Blount Inc B	Q	.1182	9-15	10-1
CommBnshrs WV	-	.30	8-29	9-12
Dai El ADR	b	.14	8-29	—
Ferrellgas Prtnr	Q	.50	8-31	9-12
Fst Fincl Corp RI	Q	.05	9-15	10-2
HanockPatPrDvII	M	.075	8-25	9-15
Home City Fincl	Q	.08	8-28	9-15
Huntco Inc	Q	.035	8-29	9-15
Irwin Fincl	Q	.07	9-12	9-26
Marion Cap	Q	.22	8-29	9-15
Marshall Ilsley	Q	.20	8-29	9-12
Midcoast Energy	Q	.08	8-22	9-2
Old Kent Fincl	Q	.34	9-1	9-15
Old Republic Intl	Q	.13	9-5	9-15
Realty Income	M	.1575	9-2	9-15
Reynolds Metals	Q	.35	9-3	10-1
Storage Trust	Q	.435	9-15	10-15
SunSource LP A	M	.0916	8-29	9-30
Transam Inco Shrs	M	.16	8-29	9-15
Trans Fincl	Q	.17	9-2	9-15
Whirlpool Corp	Q	.34	9-2	9-15

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semi-annual

Stock Tables Explained

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y - ex-dividend and sales in full. yld - yield. z - sales in full.

INTERNATIONAL FUTURES

Aug. 19, 1997

	High	Low	Latest	Chge	Opint
Grains					
CORN (CBOT) 5,000 bu minimum- cents per bushel					
Sep 97	264	261¼	263½	+2¼	38,436
Dec 97	267¼	264½	267¼	+3¼	162,381
Mar 98	276	272½	275¾	+4	38,455
May 98	281	277	280¾	+4	10,143
Jul 98	284¼	282	283¾	+4	17,120
Sep 98	268	263¾	266½	+4½	1,577
Dec 98	267½	263	266¼	+4	8,475
Est. sales 17,000 Mon's sales 39,788					
Mon's open int 276,685, up 181					
SOYBEAN MEAL (CBOT) 100 tons- dollars per ton					
Aug 97	271.80	265.00	270.30	+7.10	3,760
Sep 97	236.40	230.50	235.40	+5.00	25,834
Oct 97	214.20	209.00	214.00	+6.70	15,971
Dec 97	205.80	199.80	204.60	+5.90	42,580
Jan 98	201.50	196.80	201.50	+6.20	6,737
Mar 98	198.50	192.40	198.00	+6.20	8,457
Est. sales N.A. Mon's sales 18,202					
Mon's open int 110,344, up 787					
SOYBEAN OIL (CBOT) 60,000 lbs- cents per lb					
Aug 97	22.32	22.08	22.15	-0.03	486
Sep 97	22.40	22.13	22.22	-0.04	19,381
Oct 97	22.60	22.31	22.40	-0.05	14,351
Dec 97	23.02	22.41	22.74	-0.04	44,829
Jan 98	23.05	22.85	22.91	-0.05	7,670
Mar 98	23.35	23.06	23.20	-0.01	5,712
Est. sales N.A. Mon's sales 11,643					
Mon's open int 97,241, off 1,111					
SOYBEANS (CBOT) 5,000 bu minimum- cents per bushel					
Aug 97	793½	771½	779¾	-6¼	1,719
Sep 97	659	650	654¼	+4	14,389
Nov 97	621	607	619½	+11½	83,575
Jan 98	624½	610	623½	+12¼	17,169
Mar 98	633¼	623	632½	+10¼	6,578
Est. sales N.A. Mon's sales 35,034					
Mon's open int 134,994, up 1,418					
WHEAT (CBOT) 5,000 bu minimum- cents per bushel					
Sep 97	362	357¼	360¼	+3¼	24,436
Dec 97	377	374	375¾	+3	54,874
Mar 98	387¾	385½	386¾	+2	16,036
May 98	390	388	389	+1½	1,830
Est. sales N.A. Mon's sales 13,637					
Mon's open int 104,268, up 279					
Livestock					
CATTLE (CMER) 40,000 lbs.- cents per lb.					
Aug 97	66.70	66.25	66.32	-0.10	4,129
Oct 97	69.45	68.50	68.85	+0.15	49,510
Dec 97	71.35	70.70	71.00	+0.22	21,907
Feb 98	73.17	72.70	72.85	+0.10	11,450
Apr 98	75.07	74.65	74.85	+0.10	4,934
Jun 98	71.90	71.57	71.72	+0.22	2,767
Est. sales 13,646 Mon's sales 23,282					
Mon's open int 95,166, off 1,154					
FEEDER CATTLE (CMER) 50,000 lbs.- cents per lb.					
Aug 97	80.60	80.20	80.37	-0.05	4,194
Sep 97	80.30	79.80	79.92	-0.27	3,752
Oct 97	80.35	79.80	80.02	-0.25	7,057
Nov 97	81.75	81.15	81.27	-0.15	3,946
Jan 98	82.55	81.90	82.17	+0.10	2,072
Mar 98	82.20	82.00	82.10	+0.15	1,016
Est. sales 3,014 Mon's sales 4,077					
Mon's open int 22,587, off 300					
HOGS-Lean (CMER) 40,000 lbs.- cents per lb.					
Oct 97	70.65	69.85	70.20	+0.35	17,274
Dec 97	67.67	66.55	67.27	+0.72	6,497
Feb 98	66.50	65.55	66.27	+0.67	2,676
Apr 98	62.77	62.30	62.50	+0.37	1,613
Jun 98	67.20	66.90	66.97	+0.27	835
Est. sales 6,635 Mon's sales 10,491					
Mon's open int 34,661, up 83					
PORK BELLIES (CMER) 40,000 lbs.- cents per lb.					
Aug 97	83.77	82.55	83.75	+1.45	688
Feb 98	71.72	70.20	70.95	+1.00	3,594
Mar 98	71.40	70.00	71.15	+1.30	300
Est. sales 1,304 Mon's sales 1,859					
Mon's open int 4,635, up 103					
Food					
COCOA (NCSE) 10 metric tons- $ per ton					
Sep 97	1552	1526	1535	-8	2,107
Dec 97	1568	1540	1553	-10	38,316
Mar 98	1591	1574	1584	-7	25,784
May 98	1612	1598	1603	-9	12,276
Jul 98	1633	1623	1623	-9	2,475
Sep 98	1654	1645	1645	-9	3,941
Est. sales 6,926 Mon's sales 9,571					
Mon's open int 98,701, up 272					
COFFEE C (NCSE) 37,500 lbs.- cents per lb					
Sep 97	188.00	183.00	187.10	+6.90	4,568
Dec 97	168.00	165.30	167.15	+4.20	8,703
Mar 98	150.75	148.00	150.00	+3.00	3,936
May 98	144.50	142.50	144.50	+3.00	1,153
Jul 98	140.00	138.10	140.00	-3.00	801
Est. sales 5,228 Mon's sales 4,875					
Mon's open int 19,535, off 523					
SUGAR-WORLD 11 (NCSE) 112,000 lbs.- cents per lb.					
Oct 97	12.00	11.78	11.84	+0.02	99,538
Mar 98	12.14	12.00	12.05	+0.05	65,872
May 98	12.05	11.96	12.02	+0.08	14,855
Jul 98	11.92	11.84	11.90	+0.05	9,249
Est. sales 27,302 Mon's sales 17,305					
Mon's open int 197,938, up 3,014					

	High	Low	Latest	Chge	Opint
ORANGE JUICE (NCTN) 15,000 lbs.- cents per lb.					
Sep 97	69.50	67.60	69.05	-1.85	12,720
Nov 97	70.80	69.40	70.50	-1.70	12,567
Jan 98	73.80	72.40	73.40	-1.70	5,485
Mar 98	76.50	75.00	76.30	-1.60	3,640
Est. sales N.A. Mon's sales 11,125					
Mon's open int 36,372, up 579					
Metals					
GOLD (NCMX) 100 troy oz.- dollars per troy oz.					
Aug 97	323.60	322.70	323.00	-1.90	573
Sep 97			323.70	-1.90	2
Oct 97	325.00	323.10	324.70	-1.90	15,890
Dec 97	329.70	324.50	326.50	-1.80	120,458
Feb 98	328.90	327.70	328.20	-1.80	13,977
Apr 98			330.00	-1.80	5,542
Jun 98	332.10	331.50	332.10	-1.80	7,479
Aug 98			334.30	-1.80	3,106
Oct 98			336.50	-1.80	111
Est. sales N.A. Mon's sales 40,790					
Mon's open int 206,522, up 834					
HI GRADE COPPER (NCMX) 25,000 lbs.- cents per lb.					
Aug 97	97.60	96.50	97.60	-1.10	1,688
Sep 97	98.20	96.50	97.85	-1.15	20,825
Oct 97	98.30	97.20	98.15	-1.25	1,820
Nov 97	98.10	97.90	97.95	-1.15	1,482
Dec 97	98.35	96.70	98.05	-1.25	10,546
Jan 98	98.25	97.00	98.25	-1.15	705
Feb 98	98.00	97.40	97.80	-1.15	646
Mar 98	97.60	96.60	97.60	-1.25	2,617
Apr 98	97.20	96.90	97.00	-1.15	464
Est. sales 10,000 Mon's sales 16,269					
Mon's open int 46,263, up 852					
SILVER (NCMX) 5,000 troy oz.- cents per troy oz.					
Aug 97	450.20	448.00	450.20	+1.00	14
Sep 97	453.00	447.50	451.20	+1.00	45,439
Oct 97			454.90	+1.00	78
Dec 97	459.00	455.00	457.80	+1.00	23,793
Jan 98			459.40	+1.00	22
Mar 98	465.50	462.00	464.30	+1.00	10,640
May 98	469.50	468.40	468.40	+1.00	3,072
Jul 98			472.40	+1.00	2,161
Est. sales 13,000 Mon's sales 14,800					
Mon's open int 90,543, off 2,121					
PLATINUM (NMER) 50 troy oz.- dollars per troy oz.					
Oct 97	416.00	407.50	408.00	-8.40	11,168
Jan 98	407.00	402.00	402.00	-6.90	2,593
Apr 98	404.00	396.50	396.50	-6.90	428
Jul 98			392.50	-6.90	1
Est. sales 1,827 Mon's sales 2,229					
Mon's open int 14,190, off 333					

LONDON METALS (LME) Dollars per metric ton

	Close		Previous	
Aluminum (High Grade)				
Spot	1773.00	1776.00	1740.00	1750.00
Forward	1635.00	1635½	1675.00	1680.00
Copper Cathodes (High Grade)				
Spot	2138½	2141½	2158.00	2160.00
Forward	2144½	2145½	2162.00	2163.00
Lead				
Spot	589.00	590.00	596½	597½
Forward	602.00	603.00	610.00	611.00
Nickel				
Spot	6590.00	6600.00	6580.00	6585.00
Forward	6690.00	6700.00	6685.00	6690.00
Tin				
Spot	5335.00	5340.00	5325.00	5330.00
Forward	5385.00	5390.00	5375.00	5378.00
Zinc (Special High Grade)				
Spot	1625.00	1630.00	1630.00	1633.00
Forward	1472.00	1474.00	1491.00	1493.00

	High	Low	Close	Chge	Opint
Financial					
US T BILLS (CMER) $1 million- pts of 100 pct.					
Sep 97	94.95	94.93	94.94	-0.01	7,832
Dec 97	94.85	94.85	94.85	-0.01	2,066
Mar 98	94.82	94.81	94.82	-0.01	1,014
Est. sales N.A. Mon's sales 1,215					
Mon's open int 10,912, up 361					
5 YR TREASURY (CBOT) $100,000 prin- pts & 64ths of 100 pct					
Sep 97	107-21	107-09	107-16	-02	207,544
Dec 97	107-04	106-61	107-01	-01	19,879
Est. sales N.A. Mon's sales 38,678					
Mon's open int 227,423, off 5,689					
10 YR TREASURY (CBOT) $100,000 prin- pts & 32nds of 100 pct					
Sep 97	109-27	109-15	109-23	unch.	341,569
Dec 97	109-16	109-09	109-13	-01	79,157
Mar 98			109-03	-01	1,944
Est. sales N.A. Mon's sales 70,576					
Mon's open int 422,670, up 3,775					
US TREASURY BONDS (CBOT) (8 pct-$100,000-pts & 32nds of 100 pct)					
Sep 97	114-14	113-23	114-06	+03	502,324
Dec 97	114-01	113-12	113-26	+03	61,826
Mar 98	113-21	113-09	113-16	+03	32,402
Jun 98			113-04	+03	2,128
Est. sales N.A. Mon's sales 286,465					
Mon's open int 600,364, off 5,089					
LONG GILT (LIFFE) £50,000 - pts & 32nds of 100 pct					
Sep 97	115-07	114-27	115-02	Unch.	167,168
Dec 97	114-24	114-20	114-22	Unch.	10,051
Est. sales: 45,396 Prev. sales: 44,150					
Prev. open int.: 177,219 up 8,248					
GERMAN GOV. BUND (LIFFE) DM250,000 - pts of 100 pct					
Sep 97	102.92	102.40	102.86	+0.40	264,873
Dec 97	102.05	101.60	102.01	+0.40	21,850
Mar 98	N.T.	N.T.	101.16	+0.40	286,723
Est. sales: 153,221. Prev. sales: 112,673					
Prev. open int.: 286,723 up 1,233					
10-YEAR FRENCH GOV. BONDS (MATIF) FF500,000 - pts of 100 pct					
Sep 97	130.28	129.80	130.20	+0.32	158,299
Dec 97	99.22	98.80	99.16	+0.30	11,771
Mar 98	98.28	98.28	98.56	+0.30	0
Est. sales: 83,837.					
Open int.: 170,070 off 2,497.					
ITALIAN GOVERNMENT BOND (LIFFE) ITL 200 million - pts of 100 pct					
Sep 97	136.10	135.35	136.00	+0.48	102,701
Dec 97	108.30	107.99	108.15	+0.39	5,065
Mar 98	N.T.	N.T.	108.69	+0.39	107,766
Est. sales: 51,585. Prev. sales: 48,411					
Prev. open int.: 107,766 off 1,680					
LIBOR 1-MONTH (CMER) $3 million- pts of 100 pct					
Sep 97	94.37	94.36	94.36	unch.	15,553
Oct 97	94.36	94.34	94.35	unch.	7,851
Nov 97	94.31	94.31	94.31	-0.01	6,377
Est. sales N.A. Mon's sales 7,008					
Mon's open int 55,251, up 2,525					
EURODOLLARS (CMER) $1 million-pts of 100 pct.					
Sep 97	94.30	94.28	94.28	-0.01	490,942
Oct 97	94.22	94.21	94.22	unch.	3,859
Dec 97	94.16	94.14	94.14	-0.01	482,966
Mar 98	94.12	94.07	94.09	-0.02	342,379
Jun 98	94.02	93.97	93.99	-0.02	274,203
Sep 98	93.92	93.88	93.90	-0.02	220,095
Dec 98	93.81	93.77	93.79	-0.02	187,089
Mar 99	93.80	93.74	93.76	-0.02	130,179
Jun 99	93.73	93.70	93.71	-0.02	100,826
Sep 99	93.69	93.66	93.68	-0.01	84,776
Dec 99	93.61	93.58	93.60	-0.01	73,271
Mar 00	93.60	93.57	93.59	-0.01	64,075
Est. sales N.A. Mon's sales 424,832					
Mon's open int 2,784,140, up 8,159					
BRITISH POUND (CMER) 62,500 pounds, $ per pound					
Sep 97	1.6100	1.6000	1.6034	-0.0058	48,597
Dec 97	1.6010	1.5940	1.5980	-0.0058	1,093
Mar 98			1.5916	-0.0058	208
Est. sales N.A. Mon's sales 5,339					
Mon's open int 49,899, off 537					
CANADIAN DOLLAR (CMER) 100,000 dollars, $ per Cdn. dlr					
Sep 97	.7218	.7178	.7183	-0.0032	51,740
Dec 97	.7250	.7215	.7220	-0.0032	4,957
Mar 98	.7275	.7245	.7249	-0.0032	694
Est. sales N.A. Mon's sales 4,352					
Mon's open int 57,645, up 765					
GERMAN MARK (CMER) 125,000 marks, $ per mark					
Sep 97	.5474	.5432	.5449	-0.0035	98,775
Dec 97	.5502	.5463	.5481	-0.0035	4,529
Mar 98	.5520	.5505	.5512	-0.0035	1,322
Est. sales N.A. Mon's sales 33,441					
Mon's open int 104,733, off 3,856					
JAPANESE YEN (CMER) 12.5 million yen, $ per 100 yen					
Sep 97	.8518	.8476	.8494	-0.0025	78,220
Dec 97	.8610	.8587	.8605	-0.0025	2,472
Mar 98			.8720	-0.0026	529
Est. sales N.A. Mon's sales 12,626					
Mon's open int 81,230, off 975					
SWISS FRANC (CMER) 125,000 francs, $ per franc					
Sep 97	.6642	.6599	.6624	-0.0012	52,482
Dec 97	.6708	.6676	.6693	-0.0010	2,459
Mar 98			.6762	-0.0009	1,058
Est. sales N.A. Mon's sales 13,981					
Mon's open int 56,109, off 1,153					
MEXICAN PESO (CMER) 500,000 pesos, $ per peso					
Sep 97	.12765	.12730	.12735	+.00085	23,552
Dec 97	.12300	.12275	.12275	+0.00050	14,266
Mar 98	.11882	.11865	.11865	+.00106	5,189
Est. sales N.A. Mon's sales 4,464					
Mon's open int 44,875, up 421					
3-MONTH STERLING (LIFFE) £500,000 - pts of 100 pct					
Sep 97	92.76	92.74	92.74	-0.02	109,576
Dec 97	92.64	92.61	92.61	-0.02	121,439
Mar 98	92.60	92.55	92.56	-0.03	98,573
Jun 98	92.61	92.56	92.57	-0.02	69,216
Sep 98	92.64	92.59	92.61	-0.01	55,252
Dec 98	92.70	92.66	92.67	-0.02	48,048
Mar 99	92.74	92.71	92.73	-0.01	38,918
Est. sales: 58,954. Prev. sales: 37,496					
Prev. open int.: 629,609 up 1,683					
3-MONTH EUROMARK (LIFFE) DM1 million - pts of 100 pct					
Sep 97	96.67	96.65	96.67	+0.02	250,967
Oct 97	96.60	96.60	96.60	+0.02	1,787
Dec 97	96.52	96.48	96.50	+0.02	290,451
Mar 98	96.41	96.34	96.39	+0.05	287,461
Jun 98	96.21	96.13	96.18	+0.05	209,598
Sep 98	95.99	95.93	95.98	+0.05	144,616
Dec 98	95.76	95.70	95.74	+0.04	156,216
Mar 99	95.58	95.51	95.55	+0.04	124,345
Jun 99	95.42	95.34	95.39	+0.04	70,435
Sep 99	95.25	95.20	95.23	+0.04	52,482
Est. sales: 184,345. Prev. sales: 133,939					
Prev. open int.: 1,685,507 off 15,326					
3-MONTH PIBOR (MATIF) FF5 million - pts of 100 pct					
Sep 97	96.55	96.52	96.54	+0.03	65,245
Dec 97	96.40	96.33	96.40	+0.08	42,034
Mar 98	96.28	96.22	96.28	+0.07	30,990
Jun 98	96.16	96.12	96.16	+0.06	24,731
Sep 98	96.02	95.98	96.02	+0.06	20,320
Est. sales: 61,615					
Open int.: 766,642 up 241					
3-MONTH EUROLIRA (LIFFE) ITL 1 million - pts of 100 pct					
Sep 97	93.26	93.21	93.25	+0.04	99,994
Dec 97	93.63	93.53	93.62	+0.09	101,154
Mar 98	93.94	93.84	93.94	+0.10	54,911
Jun 98	94.18	94.10	94.17	+0.07	44,081
Sep 98	94.31	94.25	94.31	+0.06	37,243
Dec 98	94.39	94.36	94.38	+0.05	28,448
Est. sales: 45,948. Prev. sales: 24,212					
Prev. open int.: 391,641 off 200					
Industrials					
COTTON 2 (NCTN) 50,000 lbs.- cents per lb.					
Oct 97	73.85	73.30	73.58	-0.22	9,473
Dec 97	74.00	73.45	73.85	+0.07	42,771
Mar 98	75.20	74.75	75.10	+0.10	12,282
May 98	75.90	75.50	75.85	+0.13	4,708
Jul 98	76.75	76.20	76.60	+0.23	3,989
Est. sales N.A. Mon's sales 12,231					
Mon's open int 80,358, up 1,343					
HEATING OIL (NMER) 42,000 gal, cents per gal					
Sep 97	56.10	55.00	55.71	+0.62	31,425
Oct 97	56.95	55.90	56.50	+0.61	32,881
Nov 97	57.50	57.10	57.30	+0.56	19,080
Dec 97	58.40	57.95	58.10	+0.56	20,487
Jan 98	59.10	58.70	58.70	+0.56	15,715
Feb 98	59.00	58.70	58.75	+0.51	8,215
Mar 98	58.00	57.60	57.90	+0.51	7,418
Est. sales 25,634 Mon's sales 23,466					
Mon's open int 146,685, up 1,184					
LIGHT SWEET CRUDE (NMER) 1,000 bbl.- dollars per bbl.					
Sep 97	20.35	19.91	20.12	+0.21	37,017
Oct 97	20.55	20.14	20.33	+0.18	99,980
Nov 97	20.60	20.27	20.41	+0.16	42,473
Dec 97	20.62	20.32	20.45	+0.14	50,207
Jan 98	20.60	20.45	20.45	+0.12	30,772
Feb 98	20.56	20.42	20.44	+0.10	17,868
Est. sales 97,071 Mon's sales 89,631					
Mon's open int 435,161, off 6,999					
NATURAL GAS (NMER) 10,000 mm btu's, $ per mm btu					
Sep 97	2.550	2.420	2.528	+0.102	41,733
Oct 97	2.550	2.435	2.532	+0.087	42,462
Nov 97	2.685	2.575	2.662	+0.082	16,729
Dec 97	2.825	2.700	2.792	+0.087	18,580
Jan 98	2.825	2.715	2.790	+0.075	18,494
Feb 98	2.645	2.569	2.590	+0.045	13,491
Est. sales 68,384 Mon's sales 35,245					
Mon's open int 220,620, up 878					
UNLEADED GASOLINE (NMER) 42,000 gal, cents per gal					
Sep 97	67.85	65.40	67.58	+2.14	34,274
Oct 97	61.25	59.95	61.06	+1.12	26,981
Nov 97	58.81	57.80	58.81	+0.77	10,706
Dec 97	58.20	57.80	58.05	+0.65	11,161
Jan 98	58.02	57.80	58.02	+0.62	9,957
Feb 98	58.39	58.30	58.39	+0.59	3,570
Mar 98			58.92	+0.57	4,629
Apr 98			61.62	+0.57	2,228
Est. sales 32,457 Mon's sales 32,578					
Mon's open int 105,678, off 875					
GASOIL (IPE) U.S. dollars per metric ton - lots of 100 tons					
Sep 97	172.50	170.50	171.75	+5.75	25,393
Oct 97	174.25	172.50	173.75	+5.75	14,666
Nov 97	175.75	174.00	175.50	+4.50	7,560
Dec 97	177.00	175.50	177.00	+4.00	13,825
Jan 98	176.25	176.25	177.50	+3.00	8,129
Feb 98	175.75	175.75	177.00	+2.00	4,989
Mar 98	N.T.	N.T.	174.75	+0.25	2,476
Est. sales: 9,462. Prev. sales: 8,671					
Prev. open int.: 83,071 up 98					
BRENT OIL (IPE) U.S. dollars per barrel - lots of 1,000 barrels					
Oct 97	19.29	18.92	19.07	+0.14	87,906
Nov97	19.38	19.09	19.16	+0.16	17,612
Dec97	19.42	19.23	19.25	+0.14	19,811
Jan98	19.44	19.31	19.27	+0.12	16,400
Feb98	N.T.	N.T.	19.22	+0.11	6,976
Mar 98	N.T.	N.T.	19.16	+0.11	2,995
Est. sales: 27,500. Prev. sales: 17,253					
Prev. open int.: 162,495 up 967					
Stock Indexes					
SP COMP INDEX (CMER) 500 x index					
Sep 97	928.70	915.10	928.00	+9.25	186,437
Dec 97	938.50	928.00	937.50	+8.95	10,462
Mar 98			938.35	unch.	2,242
Est. sales N.A. Mon's sales 79,310					
Mon's open int 199,783, up 1,947					
FTSE 100 (LIFFE) £25 per index point					
Sep 97	4947.0	4878.0	4944.0	+101.0	71,974
Dec 97	4973.0	4950.5	5010.0	+101.0	6,529
Mar 98	N.T.	N.T.	5054.0	+101.0	391
Est. sales: 7,977. Prev. sales: 12,091					
Prev. open int.: 78,794 off 744					
CAC 40 (MATIF) FF200 per index point					
Aug 97	2945.0	2895.0	2943.0	+72.0	26,850
Sep 97	2951.0	2912.0	2950.5	+71.5	23,624
Dec 97	2945.0	2945.0	2975.0	+72.0	928
Mar 98	2962.0	2962.0	3000.0	+70.5	9,180
Est. sales: 17,253.					
Open int.: 69,818 up 285.					

Commodity Indexes

	Close	Previous
Moody's	N.A.	1,559.00
Reuters	1,892.60	1,894.50
D.J. Futures	148.99	148.05
CRB	239.92	237.68

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.

Bayer Net Rises 12%, Helped by The Dollar

Compiled by Our Staff From Dispatches

LEVERHAUSEN, Germany — Bayer AG said Tuesday that first-half profit rose more than 12 percent as its tax burden eased and it benefited from favorable currency-exchange rates.

The chemical and pharmaceutical company said that profit rose to 1.72 billion Deutsche marks ($946.4 million) from 1.53 billion DM. Pretax profit rose to 2.788 billion DM from 2.72 billion. Sales rose 11 percent to 27.4 billion DM.

Bayer said it expected earnings to rise for the full year.

"For the second half of the year we expect the lively demand to continue and exchange rates, especially that of the U.S. dollar, to remain stable," the company said. "We believe that the price erosion experienced in the first half can be halted and that the urgently needed price increases can be implemented."

Bayer is the last of Germany's "big three" chemical companies to report that earnings were lifted by a strong dollar. Like its competitors, Hoechst AG and BASF AG, Bayer has reorganized to concentrate on its most important businesses, while shifting its focus abroad.

Shares in the company rose 1.45 DM, to 70 DM.

Analysts pointed out that the rise in Bayer stock on Tuesday underperformed the market as a whole. The DAX index rose 2.23 percent, to 4169.62.

Wolfgang Sawazki, analyst at WestLB in Duesseldorf, was surprised at a drop in earnings at the health-care/pharmaceuticals division. Health-care sales climbed 9.9 percent to 6.455 billion DM in the six month period, but operating profit fell to 766 million DM from 1.040 billion DM, cutting the return on sales to 11.9 percent from 17.7 percent in the same period of 1996. *(Bloomberg, AFX)*

Adapt to Deficit Reality, OECD Tells Bonn

By Carl Gewirtz
International Herald Tribune

PARIS — Germany was advised Tuesday to stop playing games with numbers, accept the fact that its budget deficit this year will overshoot the Maastricht criteria for European monetary union, and get on with fundamental reforms aimed at creating "a structurally sound and economically adaptive economy."

The annual survey on the German economy, published by the Organization for Economic Cooperation and Development, forecast that the budget deficit this year would be about 3.25 percent of gross domestic product.

This is "well within the range of normal statistical revision" and therefore should be regarded as meeting the Maastricht criteria of 3 percent, the report stated.

The Maastricht critera, it added, "should serve only as milestones on the way to a sound medium-term fiscal position" and short-term expedients just to meet the nominal target should be resisted if these run contrary to longer-term structural reforms.

The OECD said there was a "pressing need" to simplify personal taxes and overhaul the company tax system, to make cuts in public spending, particularly in health care, public pensions and industrial subsidies, and to eliminate excessive red tape to foster a climate of entrpreneurial enterprise.

The major policy decisions to be made on taxes and welfare "could set the stage for a return to a more optimistic view of the future," the report said.

It forecast growth this year of 2.25 percent followed by 2.75 percent next year, highly dependent on export growth with little impact on reducing unemployment.

"A self-sustaining strengthening of the growth process will depend on stronger investment and a recovery of private consumption," it said.

Economics Minister Guenter Rexrodt said the OECD report confirmed that the government's economic policies were on the right track, Bloomberg News reported.

■ Rates Are Kept Steady

The Bundesbank kept its main money-market rate at 3.0 percent Tuesday and killed off talk of an interest rate rise by announcing a sharp slowdown in M-3 money supply growth, a key policy guide, Reuters reported from Frankfurt.

As expected, the bank set its auction for securities repurchase agreements, known as repos, at a fixed 3.0 percent this week, the rate that has prevailed for the past year.

M-3 growth, seen by the Bundes bank as a reliable indicator of future inflation, slowed to an annualized rate of 5.7 percent in July from 6.4 percent in June. The rate was well below economists' forecasts, which had averaged about 6.3 percent.

"This is very nice for the Bundesbank because it means they can hold off on an interest rate move for the time being," said Gerhard Grebe, economist at Bank Julius Baer.

Grant Kirkpatrick, an economist at the OECD, said that despite the recent weakening of the Deutsche mark. "We don't see any need to tighten monetary policy."

Official Sees EMU Threshold at 3.5%

AFX News

TOKYO — Germany and France would be able to participate in the single currency if their 1997 budget deficits did not exceed 3.5 percent of gross domestic product and were seen to be narrowing, a senior European Commission official told the Nihon Keizai Shimbun.

The unnamed official, identified as a top-ranking bureaucrat responsible for monetary union affairs, said that 10 or 11 countries were expected to join the single currency on schedule on Jan. 1, 1999.

But there was about a "one in 10 chance" of delay in the starting date for the euro, the official said.

The commission would be flexible on participation by France and Germany because the Maastricht treaty did stipulate that it would take into account "all related factors" toward the single currency, not just the ratio of budget deficit to GDP, the official said.

The official added that France's budget could be expected to shrink from 1998 to below 3.0 percent, the general threshold to be achieved by an applicant by the end of calendar 1997, and that the 3.5 percent ceiling for EMU membership might be broken if an economic slowdown in Germany triggered higher unemployment spending, while revision of social welfare policies in France could also lead to a larger deficit.

Strong Dollar and Cost Cuts Raise OMV Profit and Stock

Compiled by Our Staff From Dispatches

VIENNA — OMV AG shares soared 6 percent Tuesday after the energy and chemicals company reported that net profit rose 9 percent in the first half as the strong dollar and increased prices added to the effect of earlier cost-cutting measures.

The largest company in Austria said profit rose to 1.35 billion schillings ($105.5 million) over the first half of the previous year.

The stock finished up 106.30 schillings at 1,761.10.

"It was not just cost-cutting," said Wolfgang Pinner of Investmentbank Austria AG, "and we see that as very positive for the shares."

"With a strong commitment to cost cutting and profitable volume growth," Lehman Brothers said, "OMV will be well positioned to outperform."

Chief Executive Richard Schenz said OMV had reaped the benefits of a restructuring program begun last year. Higher prices for gasoline and petrochemicals, its top two product groups, helped sales rise 21 percent to 45.3 billion schillings, he said.

But Mr. Schenz said the second half would not be as strong as the first. "Though we can't multiply our results by two, we expect full-year revenue to increase slightly from that of 1996," he said.

He noted that earnings would have been higher if not for the government's austerity budget, which suspended some corporate tax benefits and raised some consumers' energy prices. Austria has been forced to raise income so it can reduce its deficit to within 3 percent of gross national product to meet the criteria for the single European currency.

OMV plans to cut its work force by about 600 by the end of the year at a full-year cost of about 2.7 billion schillings. *(Bloomberg, Reuters)*

Angolan Oil Lifts Elf

Compiled by Our Staff From Dispatches

PARIS — Elf Aquitaine SA shares surged 5.8 percent Tuesday after France's biggest oil company discovered a major oil field off the coast of Angola.

Fabien Ghez, spokesman for Elf, said the new Dalia field was "at least as big" as the nearby Girassol field the company discovered last year. Dalia contained at least 750 million barrels of recoverable crude oil, he said.

"Even at low estimates, with back-of-an-envelope calculations, we think the oil in Dalia is worth 30 francs a share," said Alan Marshall, oil analyst at Robert Fleming Securities in London.

Mr. Ghez said that the company would start to drill a second well next week in the Dalia field to confirm the results of the first test, conducted last week.

The Dalia oil field was found at a depth of 1360 meters (4462 feet) yards and is situated only 3 kilometers (1.9 miles) from Girassol, which is in the same block off the Angolan coast.

"It is perfectly possible that this is the biggest offshore African find yet," said Bernard Astier, Elf's assistant director general for exploration in Angola.

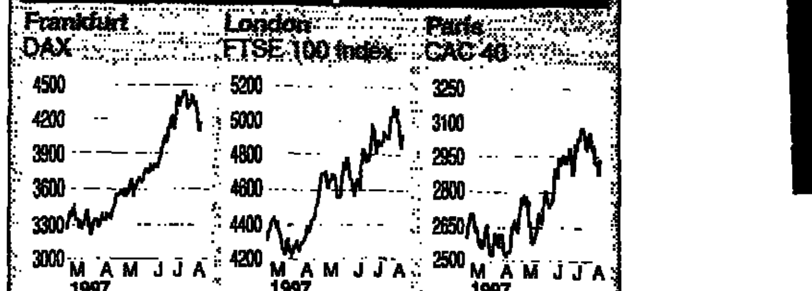
Stock in Elf closed at 685 francs ($111), up 38 francs.

■ Texaco Looks at Caspian

Texaco Inc. has taken a 20 percent stake in a giant oilfield in Kazakstan, containing an estimated 2 billion barrels, being developed by Italy's ENI SpA and Britain's BG PLC, Bloomberg News reported from White Plains, New York.

Texaco's participation would help BG and ENI's Agip oil unit as they look for ways to fund what is likely to be a multibillion dollar development. The project is one of a number near the Caspian Sea. *(Bloomberg, Reuters)*

Investor's Europe



Exchange	Index	Tuesday Close	Prev. Close	% Change
Amsterdam	AEX	947.45	917.48	+3.27
Brussels	BEL-20	2,398.71	2,370.29	+1.20
Frankfurt	DAX	4,169.62	4,078.60	+2.23
Copenhagen	Stock Market	624.99	621.18	+0.61
Helsinki	HEX General	3,491.80	3,451.30	+1.17
Oslo	OBX	690.41	685.02	+0.79
London	FTSE 100	4,914.20	4,835.00	+1.64
Madrid	Stock Exchange	585.98	576.02	+1.73
Milan	MIBTEL	14292	14125	+1.18
Paris	CAC 40	2,936.16	2,870.13	+2.30
Stockholm	SX 16	3,506.50	3,442.51	+1.86
Vienna	ATX	1,389.56	1,349.78	+2.95
Zurich	SPI	3,584.95	3,492.01	+2.66

Source: Telekurs International Herald Tribune

Very briefly:

- **British Telecommunications PLC** said a review of its $22.3 billion acquisition of **MCI Communications Corp.** would be completed by the end of August and that the terms of the deal had not been changed. But some analysts said BT was likely to tighten cost and management control at MCI after the American company warned it would post a loss of $800 million in this financial year.
- **Bezeq Ltd.**, Israel's state-owned telephone company, adopted a reorganization plan, which includes firing 1,800, or 20 percent, of its workers.
- **Trygg-Hansa AB**, Sweden's second-largest insurer, said first-half net rose 63 percent, to 2.01 billion kronor ($252.3 million), as revenue from premiums and fund-management activities increased.
- **International Service System A/S of Denmark**, the world's largest cleaning company, posted a profit of 83 million kroner ($11.9 million) in the first half, compared with a loss of 2.029 billion kroner in the first half of 1996, when earnings were affected by a one-time charge for its U.S. unit.
- **Kvaerner ASA**, a British-Norwegian construction and shipbuilding company, said first-half profit rose 17 percent, to 605 million kroner ($79.9 million), as it sold assets.
- **Jaguar**, a British luxury carmaker owned by **Ford Motor Co.**, presented plans to launch a smaller and cheaper model, code-named X400, which would have an annual production run of about 100,000 units, to compete with **Bayerische Motoren Werke AG's** 3-series cars.
- **Schering AG** of Germany and **Christian Hansen Holding A/S** of Denmark, have created a joint venture to sell allergy medication in Germany.
- **Austrian Airlines AG**, a state-controlled carrier, posted a first-half operating profit of 7.8 million schillings ($610,000) after a loss a year ago as it saved costs and formed alliances with U.S., Belgian and Swiss airlines. *Bloomberg, AP, AFP*

WORLD STOCK MARKETS

Tuesday, Aug. 19
Prices in local currencies.
Telekurs

Amsterdam
AEX index: 947.45 Previous: 917.48

	High	Low	Close	Prev.
ABN-AMRO	49.70	48.50	49.20	47
Aegon	154	147.50	151	144.70
Ahold	59	57.50	58.80	55.90
Akzo Nobel	331.50	322.20	330	318.50
Baan Co.	144.50	140	141.90	135
Bols Wess cva	40.80	40	40.40	39.70
CSM cva	103.90	102.10	103.90	101.60
Dordtsche Pet	112	108.80	110.70	105.90
DSM	208.80	201.50	205.20	197.10
Elsevier	32.50	31.70	31.90	31.30
Fortis Amev	89.80	87.50	88.90	86.10
Getronics	70.40	68.50	69.80	68
G-Broc cva	60.50	58.50	60.40	59
Hagemeyer	108.50	106	107	104
Heineken	337	329.50	337	325.50
Hoogovens cva	128.90	124.50	127.50	122.10
Hunt Douglas	94.60	93.20	94.50	93
ING Group	99.20	97	98.30	94.50
KLM	76.70	74.70	76	73.30
KNP BT	48.90	48	48.70	47.40
KPN	79.80	77.70	79.20	76
Nedlloyd Gp	66.20	65	66.20	63.80
Nutricia	358.50	353.10	357.50	344.60
Oce Grinten	261	252.50	257.30	247.50
Philips Elec	155	149.40	149.90	151.30
Polygram	120.50	113	116.40	110
Randstad Hdg	88.20	86	86.50	84
Robeco	198	196	197	195
Rodamco	62.80	61.20	62.70	61.30
Rolinco	199	197.60	198.70	196.90
Rorento	117.90	117.50	117.70	117
Royal Dutch	111.90	108	110.30	105.20
Unilever cva	451	444	450.90	442
Vendex Intl	114	108.50	110.30	110
VNU	45.30	43.20	44	43.50
Wolters Kl cva	266	263	264.20	261.50

Bangkok
SET index: 590.44 Previous: 604.34

	High	Low	Close	Prev.
Adv Info Svc	210	191	195	208
Bangkok Bk F	220	210	214	220
Krung Thai Bk	27.75	25.50	26.50	27
PTT Explor	390	374	376	390
Siam Cement F	652	620	620	648
Siam Com Bk F	119	107	110	116
Telecomasia	43	38.75	40.50	43
Thai Airways	49	45	48.25	50
Thai Farm Bk F	135	129	129	135
Utd Comm	107	99.50	100	108

Bombay
Sensex 30 index: 4165.37 Previous: 4320.97

	High	Low	Close	Prev.
Bajaj Auto	863	827.25	828.50	874.75
Hindust Lever	1400	1345	1356.75	1462.75
Hindust Petm	496	466	471	505.50
Ind Dev Bk	111.50	105.50	106.50	110
ITC	553.50	537	540	572
Mahanagar Tel	264.75	257.25	259.25	278.50
Reliance Ind	368.75	362.50	363	369.25
State Bk India	321.50	317	317.75	371.25
Steel Authority	22	21	21.50	23
Tata Eng Loco	377	371	373.25	375.50

Brussels
BEL-20 index: 2398.71 Previous: 2370.29

	High	Low	Close	Prev.
Almanij	1675	1620	1650	1640
Barco Ind	7680	7450	7580	7330
BBL	8970	8810	8850	8700
CBR	3300	3210	3270	3175
Colruyt	18200	17300	18100	17600
Delhaize Lion	1880	1835	1845	1850
Electrabel	7690	7560	7580	7620
Electrafina	3525	3455	3480	3450
Fortis AG	7480	7350	7350	7270
Gevaert	3470	3355	3370	3300
GBL	5720	5490	5550	5490
Gen Banque	14700	14350	14400	14375
Kredietbank	15225	14900	14900	14700
Petrofina	14075	13900	13950	13900
Powerfin	5020	4900	4985	4895
Royale Belge	10300	10000	10000	10075
Soc Gen Belg	3390	3280	3380	3265
Solvay	20775	20450	20475	20300
Tractebel	14950	14800	14900	14650
UCB	126950	123200	124400	122500

Copenhagen
Stock index: 624.99 Previous: 621.18

	High	Low	Close	Prev.
BG Bank	396	388	390	389
Carlsberg B	342.50	337	341	339
Codan Fors	951	940	940	940
Danisco	372	367	370	364
Den Danske Bk	705	698	700	698
D/S Svendborg B	423000	420000	423000	417000
D/S 1912 B	295000	291270	292000	290000
FLS Ind B	236	232	234	235
Kob Lufthavne	770	715	715	702
Nvo Nordisk B	706	678	701	697
Sophus Ber B	957.39	944	953	942
Tele Danmk B	382	379	381	376.62
Tryg Baltica	422	415	422	414
Unidanmark A	420	415	420	416

Frankfurt
DAX: 4169.62 Previous: 4078.60

	High	Low	Close	Prev.
AMB B	1750	1750	1750	1720
Adidas	225.30	221	225	217
Allianz Hdg	421	416.50	416.50	418
Altana	150.90	147.50	147.90	143
Bk Berlin	46.95	46.55	46.95	44.95
BASF	69.80	67.90	68.58	65.60
Bayer Hypo Bk	69.70	68.60	68.80	68.45
Bay Vereinsbank	96.50	93.80	96.20	94
Bayer	72.05	70.70	71.45	70
Beiersdorf	87.80	87.35	87.40	87
Bewag	39.80	39.30	39.80	38.80
BMW	1343	1313	1338	1295
CKAG Colonia	165.50	163	165.50	165
Commerzbank	68.20	66.30	67.90	64
Daimler Benz	142.70	140.70	141.50	137
Degussa	99.50	98.80	99	100.30
Deutsche Bank	114.80	113.55	114.40	111.10
Deut Telekom	39.25	39.05	39.05	39.50
Dresdner Bank	80.50	79	80.30	76.50
Fresenius	356	354	354	350
Fresenius Med	157.30	154.50	157.30	154.50
Fried. Krupp	377.50	374.50	376.20	372
Gehe	113.50	110	111.50	109
Heidelbg Zemt	152.50	148	151.50	146
Henkel pfd	101.50	100.50	101	100.40
HEW	450	450	450	450
Hochtief	90.50	89	90.50	87.50
Hoechst	74	73.40	73.70	72.30
Karstadt	697	685	685	667.50
Lahmeyer	99.50	99	99.40	99
Linde	1335	1320	1333	1300
Lufthansa	35.95	35.40	35.85	34.40
MAN	532	529.50	529.50	523
Mannesmann	824	812	817.50	814
Metallgesellschaft	41.40	40.95	40.95	39.80
Metro	96.40	94.80	95.40	92.15
Munch Rueck R	612	599	601.50	610.50
Preussag	562	556	561	541
RWE	85.40	84.50	84.70	84.70
SAP pfd	427.80	418.50	427	425.50
Schering	199.90	198	199.30	197
SGL Carbon	239	238	238	240
Siemens	120.65	118.90	120.20	114.35
Springer (Axel)	1590	1578	1590	1578
Suedzucker	867	863	863	855
Thyssen	439.50	432.50	438.50	427.50
Veba	103.60	102.70	102.80	100.30
VEW	572	572	572	580
Viag	767	756	766.20	755
Volkswagen	1380	1345	1367	1285

Helsinki
HEX General index: 3491.80 Previous: 3451.30

	High	Low	Close	Prev.
Enso A	49	49	49	48.50
Huhtamaki I	225	223	224	222
Kemira	49	47.50	47.50	47.50
Kesko	75	72	72.50	72.80
Merita A	23.20	22.80	23	22.90
Metra B	171	170	170	170
Metso-Serla B	50	48.50	49	48.80
Neste	143	139.50	139.50	140
Nokia A	456	448.50	454.90	446
Orion-Yhtymae	187	185	185	185.50
Outokumpu A	100	94.60	94.60	96.50
UPM-Kymmene	135.50	134	134.80	133.50
Valmet	83.50	81	81	81.30

Hong Kong
Hang Seng: 15477.26 Previous: 16096.88

	High	Low	Close	Prev.
Amoy Props	8.75	8.45	8.55	8.95
Bk East Asia	31	30.30	30.50	31.30
Cathay Pacific	13.80	13.30	13.35	14
Cheung Kong	90.50	86.50	87.25	92
CK Infrastruct	25.80	24.50	24.65	26
China Light	41.50	39.70	40.30	42
Citic Pacific	47.20	45.60	45.90	47.90
Dao Heng Bk	46.20	43	43	47.10
First Pacific	9.15	8.95	9.10	9.30
Hang Lung Dev	14.70	14.30	14.45	14.65
Hang Seng Bk	104	100	101.50	104.50
Henderson Inv	8.85	8.55	8.65	9.05
Henderson Ld	69	64.25	64.75	70.25
HK China Gas	16.55	15.80	16.05	16.60
HK Electric	29.85	28.75	29.50	30.10
HK Telecomm	18.20	17.65	17.80	18.50
Hopewell Hdgs	4.88	4.63	4.63	4.95
HSBC Hdgs	266	255	262	272
Hutchison Wh	78.25	74	75.25	80.25
Hysan Dev	25	24.20	24.35	25.30
Johnson El Hdg	21.60	21.15	21.60	21.45
Kerry Props	20.40	20.10	20.40	20.60
New World Dev	52	49.50	50.50	51.25
Oriental Press	2.80	2.65	2.77	2.85
Pearl Oriental	1.28	1.20	1.24	1.30
SHK Props	96	92.75	94.25	96.25
Shun Tak Hdgs	4.70	4.50	4.65	4.70
Sino Land Co.	7.80	7.50	7.65	8
Sth China Post	7.25	7	7.05	7.20
Swire Pac A	67.50	64.50	65.75	68.25
Wharf Hdgs	31.20	30.30	30.40	31.40
Wheelock	17.70	17.30	17.55	17.95

Jakarta
Composite index: 590.53 Previous: 599.64

	High	Low	Close	Prev.
Astra Intl	7150	6450	6500	7050
Bk Intl Indon	1350	1175	1225	1275
Bk Negara	1275	1150	1175	1250
Gudang Garm	9100	8575	8650	8700
Indocement	3775	3500	3775	3500
Indofood	3850	3700	3700	3850
Indosat	7450	7175	7250	7100
Sampoerna HM	7900	7075	7450	7200
Semen Gresik	3450	3050	3200	3025
Telekomunikasi	3600	3500	3500	3625

Johannesburg
All Market: 7397.25 Previous: 7361.34

	High	Low	Close	Prev.
Amalgamtd Bks	32.30	32	32	32.30
AngloAm Coal	261	260	261	260
AngloAm Corp	252	250	250.50	251
AngloAm Gold	264	260	264	267
AngloAm Ind	208.50	206.50	206.75	208.50
AVMIN	11	11	11	11.50
Barlow	57.75	56.75	57.25	57.50
C.G. Smith	25.10	24.80	25	24.85
De Beers	151	149.25	150.25	147.25
Driefontein	35.10	34.75	35	34.85
Fst Natl Bk	38.40	38	38	38
Gencor	10.60	10.40	10.55	10.50
GFSA	95.50	95	95.25	95.50
Imperial Hdgs	62	61.25	62	61.25
Ingwe Coal	24.25	24.10	24.25	24.05
Iscor	3.04	3	3.02	3
Johnnies Indl	66	65	65.25	65
Liberty Hdgs	363	361	362.50	360
Liberty Life	138.75	138.25	138.75	137.75
LibLife Strat	17.75	17.40	17.50	17.25
Minorco	98.75	98	98.50	97.50
Nampak	19.20	19	19.15	18.85
Nedcor	95.25	94	94	95
Rembrandt Gp	46.15	45.75	46	46
Richemont	66	64.25	64.75	65
Rust Platinum	82	81.75	81.75	82
SA Breweries	141.75	140.75	141	141
Samancor	39.75	38.75	39.75	40
Sasol	59.50	58.75	59.25	59.50
SBIC	218.25	218	218.25	218
Tiger Oats	77	74	77	74.75

Kuala Lumpur
Composite: 885.31 Previous: 880.45

	High	Low	Close	Prev.
AMMB Hdgs	11.90	11.80	11.90	11.70
Genting	10.60	10.30	10.30	10.20
Mal Banking	22.10	21.70	21.90	21.80
Mal Intl Ship F	5.80	5.70	5.75	5.75
Petronas Gas	9.30	9.15	9.20	9.25
Proton	8.05	7.80	7.80	7.85
Public Bk	3.42	3.34	3.34	3.32
Renong	3.32	3.26	3.30	3.26
Resorts World	7.30	7.10	7.15	7.15
Rothmans PM	24.80	24.70	24.70	24.70
Sime Darby	7.85	7.65	7.85	7.70
Telekom Mal	8.65	8.30	8.30	8.20
Tenaga	9.40	9.10	9.25	9.25
Utd Engineers	15.30	14.90	15.20	15
YTL	6.80	6.45	6.55	6.80

London
FT-SE 100: 4914.20 Previous: 4835.00

	High	Low	Close	Prev.
Abbey Natl	8.19	7.93	8.06	7.97
Allied Domecq	4.81	4.67	4.73	4.69
Anglian Water	7.78	7.65	7.68	7.73
Argos	6.31	6.18	6.23	6.22
Asda Group	1.50	1.47	1.49	1.49
Assoc Br Foods	5.08	4.97	5.05	4.94
BAA	5.82	5.70	5.77	5.74
Barclays	14.05	13.85	13.92	13.83
Bass	8.50	8.32	8.39	8.39
BAT Ind	5.20	5.07	5.11	5.14
Bank Scotland	4.26	4.12	4.20	4.10
Blue Circle	4.34	4.24	4.27	4.23
BOC Group	11.15	10.74	11.05	11.09
Boots	8.04	7.93	7.96	7.92
BPB Ind	3.51	3.46	3.50	3.46
Brit Aerosp	14.60	14.33	14.53	14.49
Brit Airways	6.30	6.08	6.20	6.13
BG	2.57	2.51	2.52	2.53
Brit Land	5.95	5.89	5.91	5.90
Brit Petm	8.62	8.38	8.48	8.38
BSkyB	4.46	4.35	4.37	4.37
Brit Steel	1.80	1.73	1.77	1.75
Brit Telecom	4.27	3.75	3.79	3.82
BTR	2.44	2.20	2.33	2.21
Burmah Castrol	10.75	10.63	10.68	10.54
Burton Gp	1.29	1.27	1.28	1.27
Cable Wireless	5.67	5.53	5.60	5.59
Cadbury Schw	6.02	5.85	5.96	6.03
Carlton Comm	5.03	4.88	4.93	4.89
Coml Union	7.32	7.24	7.27	7.23
Compass Gp	6.35	6.22	6.25	6.30
Courtaulds	3.40	3.35	3.39	3.37
Dixons	6.25	6.14	6.25	6.10
Electrocomponents	4.92	4.88	4.92	4.90
EMI Group	5.69	5.53	5.58	5.48
Energy Group	6.33	6.26	6.28	6.26
Enterprise Oil	7	6.88	6.91	6.82
Fam Colonial	1.77	1.75	1.76	1.75
Genl Accident	9.38	9.23	9.29	9.21
GEC	3.81	3.73	3.78	3.76
GKN	13.41	12.36	12.53	12.64
Glaxo Wellcome	12.37	12.01	12.28	11.96
Granada Gp	8.07	7.97	8.06	8.02
Grand Met	5.96	5.82	5.84	5.87
GRE	2.88	2.82	2.85	2.83
Greenalls Gp	4.92	4.86	4.91	4.90
Guinness	5.83	5.72	5.75	5.78
GUS	6.46	6.35	6.42	6.34
Hays	5.97	5.87	5.91	5.89
HSBC Hldgs	21.85	20.66	20.72	20.22
ICI	10.17	10	10.09	9.99
Impl Tobacco	3.99	3.94	3.95	3.93
Kingfisher	7.36	7.20	7.25	7.18
Ladbroke	2.56	2.50	2.50	2.54
Land Sec	9.35	9.23	9.27	9.28
Lasmo	2.72	2.67	2.68	2.69
Legal Genl Grp	4.50	4.43	4.44	4.40
Lloyds TSB Gp	7.42	7.11	7.23	7.11
LucasVarity	2.02	1.96	1.99	2.03
Marks Spencer	5.96	5.87	5.93	5.86
MEPC	4.82	4.75	4.76	4.80
Mercury Asset	13.65	13.41	13.47	13.34
National Grid	2.64	2.58	2.63	2.59
Natl Power	5.27	5.15	5.25	5.19
NatWest	8.03	7.88	7.99	7.82
Next	7.85	7.64	7.83	7.57
Norwich Union	3.36	3.28	3.32	3.31
Orange	2.15	2.12	2.14	2.12
P&O	6.42	6.33	6.42	6.38
Pearson	7.51	7.37	7.42	7.35
Pilkington	1.50	1.46	1.47	1.47
PowerGen	7.32	7.23	7.26	7.21
Premier Farnell	5.48	5.43	5.43	5.48
Prudential	6.05	5.93	5.98	5.94
Railtrack Gp	7.93	7.75	7.83	7.76
Rank Group	3.42	3.33	3.35	3.36
Reckitt Colm	9.65	9.50	9.62	9.45
Redland	3	2.90	2.99	2.93
Reed Intl	5.65	5.42	5.57	5.44
Rentokil Initial	2.18	2.13	2.16	2.13
Reuters Hdgs	6.45	6.31	6.40	6.26
Rexam	2.92	2.85	2.86	2.88
RTZ reg	10.19	9.90	10.02	10.13
RMC Group	10.74	10.55	10.73	10.45
Rolls Royce	2.50	2.44	2.46	2.44
Royal Bk Scot	6.05	5.96	5.99	5.97
Royal & Sun All	5.35	5.26	5.28	5.26
Safeway	3.83	3.76	3.81	3.77
Sainsbury	4.45	4.38	4.40	4.41
Schroders	18.70	18.60	18.68	18.50
Scot Newcastle	7.70	7.58	7.66	7.52
Scot Power	4.24	4.15	4.22	4.17
Securicor	2.93	2.89	2.89	2.92
Severn Trent	8.57	8.46	8.55	8.48
Shell Transp R	4.36	4.17	4.30	4.17
Siebe	11.65	11.18	11.27	11.60
Smith Nephew	1.79	1.77	1.79	1.79
SmithKline	11.13	10.91	11.09	10.87
Smiths Ind	8.45	8.30	8.30	8.38
Sthern Elec	4.60	4.53	4.54	4.53
Stagecoach	7.05	6.92	7.03	6.90
Stand Charter	11.13	9.96	10.36	9.97
Tate & Lyle	4.18	4.14	4.18	4.16
Tesco	4.18	4.04	4.12	4.05
Thames Water	8	7.85	7.90	7.92
3i Group	4.89	4.84	4.86	4.83
TI Group	6	5.88	5.92	5.94
Tomkins	3.31	3.27	3.28	3.28
Unilever	18.21	17.78	17.98	17.78
Utd Assurance	4.60	4.50	4.50	4.50
Utd News	7.17	7.08	7.14	7.05
Utd Utilities	7.10	7.03	7.06	7.08
Vendome Lx uts	5.04	4.93	4.93	5.05
Vodafone	3.17	3.12	3.14	3.13
Whitbread	8.32	8.23	8.23	8.19
Williams Hdgs	3.65	3.60	3.65	3.60
Wolseley	4.70	4.50	4.68	4.46
WPP Group	2.84	2.78	2.84	2.75
Zeneca	19.55	19.05	19.41	18.90

Madrid
Bolsa index: 585.98 Previous: 576.02

	High	Low	Close	Prev.
Acerinox	26700	26450	26550	26350
ACESA	1835	1785	1815	1775
Aguas Barcelon	5670	5540	5620	5580
Argentaria	7990	7710	7950	7720
BBV	4110	4050	4090	4015
Banesto	1410	1390	1400	1380
Bankinter	7810	7510	7810	7480
Bco Centro Hisp	5670	5600	5670	5600
Bco Popular	34000	33400	34000	33200
Bco Santander	4395	4265	4395	4220
CEPSA	4655	4590	4600	4650
Continente	3315	3165	3315	3210
Corp Mapfre	8440	8260	8400	8250
Endesa	3200	3150	3180	3125
FECSA	1255	1235	1245	1220
Gas Natural	6820	6670	6690	6600
Iberdrola	1790	1765	1780	1765
Pryca	2930	2850	2895	2880
Repsol	6180	6050	6160	6020
Sevillana Elec	1395	1365	1385	1370
Tabacalera	7870	7780	7860	7650
Telefonica	4070	4025	4060	4010
Union Fenosa	1225	1205	1220	1205
Valenc Cement	2760	2730	2760	2715

To Our Readers

The Manila stock market was closed Tuesday due to a tropical storm.

Mexico
Bolsa index: 5013.69 Previous: 4952.88

	High	Low	Close	Prev.
Alfa A	66.50	64.40	65.50	64.10
Banacci B	24.00	22.80	23.60	23.00
Cemex CPO	41.90	41.25	41.85	41.25
Cifra C	14.52	14.16	14.52	14.20
Emp Modema	43.60	43.40	43.45	43.45
Gpo Carso A1	58.80	57.60	58.80	57.80
Gpo F Bcomer	3.75	3.60	3.69	3.60
Gpo Fin Inbursa	35.50	34.80	35.50	34.90
Kimb Clark Mex	37.20	36.20	37.00	35.80
Televisa CPO	125.30	123.30	125.00	123.50
TelMex L	20.45	20.05	20.35	20.00

Milan
MIB Telematico: 14292.00 Previous: 14125.00

	High	Low	Close	Prev.
Alleanza Assic	14660	14450	14550	14370
Bca Comm Ital	4500	4420	4470	4395
Bca Fideuram	5640	5400	5615	5320
Bca di Roma	1600	1545	1570	1526
Benetton	26450	26000	26250	26100
Credito Italiano	3615	3565	3605	3550
Edison	8290	8160	8210	8180
ENI	10200	10000	10200	9980
Fiat	5615	5490	5555	5400
Generali Assic	36300	35950	36250	35800
IMI	16100	15550	15605	15705
INA	2645	2600	2625	2615
Italgas	5405	5300	5355	5330
Mediaset	7770	7670	7725	7600
Mediobanca	11325	11155	11245	11150
Montedison	1115	1096	1108	1090
Olivetti	690	666	676	662
Parmalat	2640	2605	2625	2600
Pirelli	4690	4620	4685	4615
RAS	14850	14700	14850	14545
Rolo Banca	22000	21300	21750	21500
S Paolo Torino	13450	13010	13175	13350
Telecom Italia	10940	10600	10680	10760
TIM	5870	5770	5835	5770

Montreal
Industrials index: 3587.53 Previous: 3537.20

	High	Low	Close	Prev.
Bce Mob Com	50½	50¼	50¼	50½
Cdn Tire A	26.70	26¼	26.65	26¼
Cdn Util A	38.80	38½	38.80	38.95
CT Finl Svc	43.40	43¼	43¼	43¼
Gaz Metro	18.30	18.15	18¼	18¼
Gt-West Lifeco	33½	33.10	33.45	33
Imasco	41.70	41	41	41¼
Investors Grp	35½	34.20	35½	33.95
Loblaw Cos	20.45	20.10	20.40	20
Natl Bk Canada	17.70	17½	17.65	17½
Power Corp	39.30	37.85	38¼	37.80
Power Finl	37.60	36.40	37	36
Quebecor B	27	26.80	26.85	26.90
Rogers Comm B	10.45	10.45	10.45	10¼
Royal Bk Cda	63	62	62.60	62.55

Oslo
OBX index: 698.41 Previous: 685.02

	High	Low	Close	Prev.
Aker A	134	129	130	133
Bergesen Dy A	208	206	207	204
Christiania Bk	26.30	25.70	25.80	25.80
Den norske Bk	30.80	30.40	30.40	30.50
Elkem	145	139.50	139.50	142
Hafslund A	48	46	47	45.50
Kvaerner Asa	468	426	431	458
Norsk Hydro	408	402	408	395
Norske Skog A	291	288	288	286
Nycomed A	159	155	158.50	153
Orkla Asa A	551	543	545	544
Petm GeoSvc	412	407	410	400
Saga Petm A	149	146	147	146.50
Schibsted	132	124	127	126
Transocean Off	617	617	617	617
Storebrand Asa	51	50	51	49.70

Paris
CAC-40: 2936.16 Previous: 2870.13

	High	Low	Close	Prev.
Accor	977	967	977	955
AGF	225	218.20	224.90	218
Air Liquide	940	909	940	914
Alcatel Alsth	824	812	823	808
Axa-UAP	410	405.20	410	406.10
Bancaire	730	706	728	717
BIC	498.90	489	498.90	488
BNP	282	274	281.80	270
Canal Plus	1032	1001	1030	1038
Carrefour	4074	3946	4074	3929
Casino	285	278.10	280.50	278
CCF	318	313.20	315.70	315.20
Cetelem	677	664	676	660
Christian Dior	950	926	950	922
CLF-Dexia Fran	576	562	576	554
Credit Agricole	1287.10	1287.10	1287.10	1265.10
Danone	925	912	923	910
Elf-Aquitaine	698	676	685	647
Eridania BS	832	811	832	812
Eurodisney	8.75	8.60	8.60	8.60
Eurotunnel	7.10	6.95	7.10	7.05
Gen. Eaux	720	702	702	710
Havas	388	377.10	386.90	380.40
Imetal	863	840	859	844
Lafarge	416.70	409.10	414.90	412.20
Legrand	1148	1110	1147	1093
L'Oreal	2289	2233	2284	2230
LVMH	1474	1450	1469	1445
Michelin B	366.90	359.20	365	356.90
Paribas A	448	438.10	447.20	436
Pernod Ricard	310	298	309.70	300
Peugeot Cit	704	690	703	688
Pinault-Print	2630	2570	2615	2615
Promodes	2221	2183	2207	2135
Renault	164.90	158	164	157
Rexel	1685	1611	1680	1610
Rh-Poulenc A	241.80	237	241.40	238.80
Sanofi	604	590	602	588
Schneider	338.50	330.20	338.30	335
SEB	1020	996	1008	1019
SGS Thomson	592	571	590	557
Ste Generale	799	790	791	788
Sodexho	2900	2872	2875	2862
St Gobain	876	855	871	865
Suez (Cie)	15.35	15.10	15.10	15.25
Suez Lyon Eaux	643	624	643	624
Synthelabo	730	706	730	705
Thomson CSF	152.60	149.50	152	151.50
Total B	610	593	603	585
Usinor	114.60	110.40	114	110
Valeo	373	358.30	372.50	357.80

São Paulo
Bovespa index: 11277.80 Previous: 11337.90

	High	Low	Close	Prev.
Bradesco Pfd	11.00	10.50	10.70	10.65
Brahma Pfd	780.00	757.00	760.00	775.00
Cemig Pfd	55.00	52.50	53.99	54.50
CESP Pfd	80.00	76.00	78.00	78.00
Copel	16.50	16.20	16.20	16.50
Eletrobras	499.99	485.00	491.00	488.00
Itaubanco Pfd	650.00	629.50	650.00	627.00
Light Servicios	500.00	493.00	493.00	494.00
Lightpar	425.00	416.00	416.00	415.50
Petrobras Pfd	296.00	290.99	291.00	294.00
Paulista Luz	195.50	192.00	192.00	194.00
Sid Nacional	36.50	36.30	36.50	36.20
Souza Cruz	10.70	10.45	10.45	10.50
Telebras Pfd	140.99	135.90	137.80	139.00
Telemig	180.01	178.50	179.00	178.00
Telerj	154.99	144.00	145.00	148.00
Telesp Pfd	334.00	325.00	329.00	328.00
Unibanco	38.20	36.40	38.20	36.40
Usiminas Pfd	11.60	11.30	11.45	11.50
CVRD Pfd	26.60	25.80	26.45	26.00

Seoul
Composite index: 741.29 Previous: 747.29

	High	Low	Close	Prev.
Dacom	93500	90000	90200	93000
Daewoo Heavy	7850	7500	7510	7850
Hyundai Eng.	21100	20500	20500	20900
Kia Motors	13200	12800	13000	13000
Korea El Pwr	26500	25800	25900	26100
Korea Exch Bk	5570	5360	5400	5570
LG Semicon	46400	43100	46400	43000
Pohang Iron St	61500	59800	60000	61000
Samsung Display	47800	47200	47600	47800
Samsung Elec	71400	70000	71000	71100
Shinhan Bank	9600	9400	9400	9550
SK Telecom	490000	485000	487000	489500

Singapore
Straits Times: 1918.53 Previous: 1918.85

	High	Low	Close	Prev.
Asia Pac Brew	5.50	5.45	5.50	5.40
Cerebos Pac	4.88	4.80	4.86	4.76
City Devlts	11.70	10.30	11	11.40
Cycle Carriage	11.50	10.90	11	11.60
Dairy Farm Int *	0.92	0.87	0.88	0.92
DBS foreign	17.10	16.70	16.80	16.70
DBS Land	4.46	4.28	4.30	4.36
Fraser & Neave	9.10	8.80	8.85	9.05
HK Land *	3.18	3.08	3.16	3.10
Jard Mathesn *	7.05	6.60	6.95	6.75
Jard Strategic *	4.02	3.98	4.02	4
Keppel A	6.35	6	6.05	6.20
Keppel Bank	3.70	3.64	3.70	3.58
Keppel Fels	4.68	4.66	4.66	4.64
Keppel Land	4.20	4.08	4.14	4.12
OCBC foreign	12.80	12.40	12.50	12.20
OS Union Bk F	8.45	8	8.05	8.20
Parkway Hdgs	6.35	6.15	6.35	6.35
Sembawang	6.70	6.60	6.70	6.50
Sing Air foreign	12.10	11.50	11.90	11.40
Sing Land	7.10	7	7.10	7.05
Sing Press F	24.40	24	24.20	23
Sing Tech Ind	3.64	3.50	3.52	3.54
Sing Telecomm	2.51	2.42	2.44	2.41
Tat Lee Bank	2.78	2.76	2.76	2.75
Utd Industrial	1.05	1.02	1.03	1.05
Utd O'Sea Bk F	13.50	13.10	13.40	13.10
Wing Tai Hdgs	3.80	3.64	3.64	3.66

*: in U.S. dollars.

Stockholm
SX 16 index: 3506.50 Previous: 3442.51

	High	Low	Close	Prev.
AGA B	110.50	109.50	110.50	109.50
ABB A	122.50	118	122.50	117
AssiDoman	250	240	250	239.50
Astra A	136.50	132.50	133.50	132.50
Atlas Copco A	259.50	253.50	259	250
Autoliv	309	292	307.50	287.50
Electrolux B	610	600	605	600
Ericsson B	357.50	349	356	347.50
Hennes B	322	310	322	301
Incentive A	738	715	724	732
Investor B	413	410	412	407.50
MoDo B	295	284	288.50	289
Nordbanken	257	252	253.50	252
Pharm/Upjohn	280	274	277	275.50
Sandvik B	254	248	251.50	248
Scania B	227.50	223	227	222
SCA B	188	184	188	186.50
S-E Banken A	87	85.50	87	85
Skandia Fors	332	318	332	315
Skanska B	334	329	333	331
SKF B	222	218	220	217
Sparbanken A	182	174	182	173
Stora A	140	136.50	139.50	136
Sv Handles A	254	249	252	247.50
Volvo B	222	215	217.50	218.50

Sydney
All Ordinaries: 2620.90 Previous: 2618.50

	High	Low	Close	Prev.
Amcor	8.27	8.21	8.21	8.23
ANZ Bkling	10.15	9.93	9.98	9.92
BHP	17.35	17.07	17.13	17.11
Boral	3.90	3.85	3.87	3.83
Brambles Ind.	28.40	27.85	27.90	27.70
CBA	16.11	15.80	15.81	15.84
CC Amatil	15.20	14.88	15.10	14.71
Coles Myer	6.49	6.38	6.40	6.33
Comalco	6.59	6.40	6.40	6.60
CSR	5.10	4.97	4.97	5.10
Fosters Brew	2.63	2.58	2.59	2.61
Goodman Fld	1.99	1.97	1.99	1.97
ICI Australia	13.05	12.80	12.80	12.85
Lend Lease	29.75	29.25	29.30	29.40
MIM Hdgs	1.72	1.67	1.68	1.70
Nat Aust Bank	19.12	18.95	18.97	18.96
Nat Mutual Hdg	2.11	2.09	2.10	2.08
News Corp	5.96	5.87	5.95	5.92
Pacific Dunlop	3.60	3.54	3.58	3.58
Pioneer Intl	4.90	4.80	4.85	4.84
Pub Broadcast	8.01	7.90	7.93	7.93
Rio Tinto	21.11	20.70	20.81	20.98
St George Bank	8.42	8.32	8.36	8.29
WMC	7.36	7.15	7.19	7.28
Westpac Bking	8.29	8.12	8.12	8.21
Woodside Pet	11.05	10.90	11.02	10.88
Woolworths	4.18	4.05	4.05	4.10

Taipei
Stock Market index: 9712.45 Previous: 9706.57

	High	Low	Close	Prev.
Cathay Life Ins	148	145	145	145.50
Chang Hwa Bk	116	113	113	114.50
Chiao Tung Bk	82	79	81.50	78.50
China Develpmt	126	122.50	124	121.50
China Steel	31.50	30.70	31.10	31.30
First Bank	116	113.50	114.50	114
Formosa Plastic	63	62	62.50	62.50
Hua Nan Bk	120	117.50	117.50	117.50
Intl Comm Bk	56.50	55	55	56
Nan Ya Plastics	73	71.50	72	72
Shin Kong Life	101	98	98.50	99.50
Taiwan Semi	157	152	152	152
Tatung	46.50	45.80	45.80	45.70
Utd Micro Elec	131	127	127	127
Utd World Chin	64.50	63	63.50	63.50

Tokyo
Nikkei 225: 18961.80 Previous: 19041.10

	High	Low	Close	Prev.
Ajinomoto	1150	1130	1140	1110
All Nippon Air	705	697	703	703
Amway	3400	3350	3360	3380
Asahi Bank	865	854	860	856
Asahi Chem	604	597	600	595
Asahi Glass	988	973	979	977
Bk Tokyo Mitsu	2340	2300	2310	2330
Bk Yokohama	515	502	504	511
Bridgestone	2830	2760	2790	2800
Canon	3720	3560	3560	3700
Chubu Elec	2040	2020	2030	2030
Chugoku Elec	1950	1940	1940	1950
Dai Nipp Print	2760	2710	2720	2750
Daiei	860	851	857	850
Dai-Ichi Kang	1510	1480	1500	1470
Daiwa Bank	641	619	631	613
Daiwa House	1380	1350	1360	1370
Daiwa Sec	797	764	775	792
DDI	7080a	7010a	7040a	7000a
Denso	2890	2780	2830	2850
East Japan Ry	5460a	5390a	5400a	5500a
Eisai	2560	2520	2540	2480
Fanuc	5050	4920	4950	4950
Fuji Bank	1620	1570	1570	1590
Fuji Photo	4940	4770	4830	4820
Fujitsu	1680	1620	1630	1670
Hachijuni Bk	1160	1140	1140	1160
Hitachi	1240	1200	1210	1230
Honda Motor	3800	3610	3640	3740
IBJ	1770	1720	1720	1730
IHI	380	358	360	382
Itochu	510	490	497	508
Ito-Yokado	6860	6740	6760	6750
JAL	483	471	476	479
Japan Tobacco	1040b	9750a	9960a	9750a
Jusco	3370	3270	3280	3370
Kajima	619	605	613	601
Kansai Elec	2200	2190	2200	2180
Kao	1780	1750	1760	1740
Kawasaki Hvy	472	458	470	475
Kawa Steel	314	302	309	313
Kinki Nipp Ry	692	685	689	684
Kirin Brewery	962	947	956	952
Kobe Steel	179	175	177	179
Komatsu	818	786	799	803
Kubota	491	483	488	484
Kyocera	9150	8830	8830	9070
Kyushu Elec	1960	1930	1930	1940
LTCB	607	587	596	577
Marubeni	443	430	440	449
Marui	1910	1880	1900	1910
Matsu Comm	4760	4600	4600	4710
Matsu Elec Ind	2380	2320	2330	2370
Matsu Elec Wk	1390	1360	1370	1370
Mitsubishi	1290	1250	1270	1280
Mitsubishi Ch	317	306	314	305
Mitsubishi El	590	575	580	584
Mitsubishi Est	1750	1690	1720	1700
Mitsubishi Hvy	805	798	803	799
Mitsubishi Mat	735	725	731	705
Mitsubishi Tr	1810	1760	1760	1780
Mitsui	1090	1050	1070	1060
Mitsui Fudosn	1510	1430	1450	1470
Mitsui Trust	727	717	724	717
Murata Mfg	5650	5490	5490	5590
NEC	1620	1570	1570	1610
Nikko Sec	2570	2440	2470	2480
Nikon	622	610	612	612
Nintendo	11400	10800	10800	11000
Nipp Express	744	721	723	724
Nippon Oil	504	490	499	497
Nippon Steel	318	307	309	318
Nissan Motor	758	722	733	760
NKK	197	193	195	196
Nomura Sec	1680	1650	1650	1650
NTT	1190b	1150b	1170b	1180b
NTT Data	5520b	5260b	5280b	5400b
Oji Paper	606	601	604	599
Osaka Gas	270	262	265	270
Ricoh	1890	1810	1840	1810
Rohm	14300	13900	13900	14200
Sakura Bk	765	742	743	740
Sankyo	4020	3900	3900	3960
Sanwa Bank	1620	1580	1600	1590
Sanyo Elec	461	445	445	451
Secom	8950	8640	8690	8730
Seibu Rwy	5620	5550	5610	5500
Sekisui Chem	1100	1060	1080	1050
Sekisui House	1160	1140	1160	1160
Seven-Eleven	9020	8910	8920	8910
Sharp	1330	1300	1320	1320
Shikoku El Pwr	1890	1880	1890	1890
Shimizu	604	591	603	592
Shin-etsu Ch	3350	3230	3250	3300
Shiseido	2290	2140	2220	2120
Shizuoka Bk	1210	1200	1200	1210
Softbank	5800	5700	5700	5700
Sony	11600	10900	11000	11500
Sumitomo	1000	975	981	989
Sumitomo Bk	1920	1860	1860	1900
Sumit Chem	461	450	458	454
Sumitomo Elec	1950	1920	1920	1950
Sumit Metal	283	278	280	279
Sumit Trust	1260	1230	1230	1230
Taisho Pharm	3200	3130	3140	3190
Takeda Chem	3610	3500	3500	3600
TDK	10200	9710	9840	10100
Tohoku El Pwr	1960	1950	1960	1940
Tokai Bank	1040	998	1010	1030
Tokio Marine	1490	1430	1460	1480
Tokyo El Pwr	2250	2210	2210	2250
Tokyo Electron	7760	7310	7410	7650
Tokyo Gas	288	280	288	285
Tokyu Corp.	621	602	614	623
Tonen	1130	1100	1120	1120
Toppan Print	1890	1850	1870	1840
Toray Ind	785	774	784	781
Toshiba	734	724	725	728
Tostem	2510	2470	2470	2450
Toyo Trust	1010	987	987	992
Toyota Motor	3400	3220	3300	3330
Yamanouchi	3020	2970	3010	2990

a: x 100; b: x 1,000

Toronto
TSE Industrials: 6709.32 Previous: 6655.32

	High	Low	Close	Prev.
Abitibi Cons.	26.40	25.80	26.10	26
Alberta Energy	31¼	30¾	30.95	30.95
Alcan Alum	51½	50.95	50.95	51
Anderson Expl	17.30	17	17.20	17
Bk Montreal	55.80	55.10	55.35	55.20
Bk Nova Scotia	63.20	62.05	62.85	62
Barrick Gold	33.10	32.35	32.35	32.65
BCE	40.90	39½	40.30	39.55
BC Telecomm	34.35	34.05	34.15	34.35
Biochem Pharm	35.20	35	35.20	36
Bombardier B	30.30	29.30	29.40	29.55
Cameco	52.30	51.05	51.85	50
CIBC	38¼	37.60	37.85	37.40
Cdn Natl Rail	70	68.30	69¾	68.30
Cdn Nat Res	36.95	36	36¾	36¼
Cdn Occid Pet	34.95	34½	34½	34¼
Cdn Pacific	42¼	41	42	41.15
Cominco	38¼	37.45	37¾	37.90
Dofasco	30.20	29.20	29¾	29¾
Domtar	11.90	11.80	11.85	11.85
Donohue A	33¼	33	33.05	32.90
Du Pont Cda A	32.45	31¼	32	32
EdperBrascan	23.85	23½	23.70	23.15
EuroNev Mng	23	22½	22½	23
Fairfax Finl	389	380	389	385
Falconbridge	27.70	27.45	27.60	27.70
Fletcher Chall A	23¾	23.20	23.40	23.20
Franco Nevada	33¾	33.30	33.70	33.40
Gulf Cda Res	10.05	9.90	10	9.95
Imperial Oil	73¼	72.15	73.20	72.40
Inco	40.70	39¾	39.80	40.60
IPL Energy	51.30	51.05	51¼	50.95
Laidlaw B	20.90	20½	20½	20¼
Loewen Group	43.10	42.40	42.90	42.30
Macmill Bldl	18.45	18.15	18.15	18.15
Magna Intl A	90	87.90	89.80	88
Methanex	12.20	11.95	12	12.05
Moore	29	28.15	28.15	28.60
Newbridge Net	62.35	60.15	61.70	59.80
Noranda Inc	28.60	28.05	28.10	28.10
Norcen Energy	34.70	34¼	34.30	34.70
Nthern Telecom	141.95	137.70	140	136.80
Nova	11¾	11.60	11.65	11.55
Onex	31½	31.15	31.40	31
Pancdn Petlm	26.60	26	26	26
Petro Cda	25.35	24.85	25.05	25
Placer Dome	24.60	24¼	24.30	24.35
Poco Petlm	13.30	13.10	13¼	13
Potash Sask	104.65	103.15	103½	102.95
Renaissance	35.85	35	35	35.30
Rio Algom	34.45	34.05	34¼	34¼
Rogers Cantel B	27½	27.30	27.30	27½
Seagram Co	49¾	49.30	49.45	48.95
Shell Cda A	22¼	21.85	22.20	21.85
Suncor	46.15	43¾	46	44
Talisman Eny	44	43.35	43.70	43¾
Teck B	28	27	27	27¼
Teleglobe	49¼	48.60	49.20	48.85
Telus	26.70	26.45	26.60	26.40
Thomson	33.45	33	33.05	33
TorDom Bank	41.65	40.80	41.20	40¾
Transalta	17.40	17.20	17.35	17.20
TransCda Pipe	26.35	26.10	26.15	26¼
Trimark Finl	67¼	65	65½	64½
Trizec Hahn	32	31.55	31.55	31.90
TVX Gold	7.35	7.15	7.15	7.15
Westcoast Eny	26.30	26.10	26.10	26
Weston	97	96	97	95

Vienna
ATX index: 1389.56 Previous: 1349.78

	High	Low	Close	Prev.
Boehler-Uddeh	1014.90	980	1009.50	967.15
Creditanst Pfd	600	564	599	556.90
EA-Generali	3210	3150	3179	3084.60
EVN	1605	1572	1593.60	1572
Flughafen Wien	519	510	519	508
OMV	1780	1707.50	1761.10	1654.80
Oest Elektriz	875	866.60	866.80	867.20
VA Stahl	581	570	579.40	562
VA Tech	2369	2310.05	2340	2324.50
Wienerberg Bau	2615	2560	2594.95	2545

Wellington
NZSE-40 index: 2493.88 Previous: 2470.82

	High	Low	Close	Prev.
Air N Zeald B	4.55	4.45	4.49	4.55
Brierly Invt	1.38	1.37	1.38	1.36
Carter Holt ord	3.50	3.45	3.50	3.47
Fletch Ch Bldg	4.30	4.25	4.28	4.25
Fletch Ch Eny	5.55	5.42	5.48	5.36
Fletch Ch Forst	1.92	1.89	1.90	1.90
Fletch Ch Paper	3.30	3.25	3.30	3.21
Lion Nathan	4	3.96	4	3.96
Telecom NZ	7.60	7.55	7.60	7.52
Wilson Horton	11.90	11.90	11.90	11.88

Zurich
SPI index: 3584.95 Previous: 3492.01

	High	Low	Close	Prev.
ABB B	2359	2325	2355	2299
Adecco B	551	541	541	549
Alusuisse R	1369	1347	1359	1340
Ares-Serono B	2540	2450	2450	2450
Atel R	870	870	870	870
Baer Hdg B	2200	2135	2180	2120
Baloise Hdg R	4020	3950	4015	3940
BK Vision	1100	1080	1100	1080
Ciba Spec Chem	138.25	132.75	138	129.75
Clariant R	1066	1025	1065	1010
Crd Suisse Gp R	190	183	190	181
Elektrowatt B	538	536	538	537
Ems-Chemie	6820	6725	6790	6800
ESEC Hdg	4610	4570	4590	4560
Holderbank B	1279	1252	1273	1231
Liechtenst LB B	589	585	585	588
Nestle R	1859	1836	1853	1821
Novartis R	2252	2176	2252	2135
Oerlikon Bueh R	168	161	168	159
Pargesa Hld B	1925	1908	1925	1900
PharmaVisn B	924	900	910	894
Richemont A	2119	2090	2119	2100
Pirelli PC	330	325	325	329
Roche Hdg PC	13735	13490	13600	13315
SBC R	396	391	393	388.50
Schindler PC	1930	1880	1900	1880
SGS B	3020	2980	3000	3015
SMH B	925	905	910	885
Sulzer R	1188	1165	1170	1155
Swiss Reins R	2107	2063	2100	2056
Swissair R	1928	1901	1925	1880
UBS B	1504	1476	1500	1473
Winterthur R	1389	1340	1385	1332
Zurich Assur R	600	582	596	579

The Trib Index

Prices as of 3:00 P.M. New York time.

Jan. 1, 1992 = 100.	Level	Change	% change	year to date % change
World Index	173.44	+1.40	+0.81	+16.29
Regional Indexes				
Asia/Pacific	127.55	-1.86	-1.44	+3.34
Europe	183.15	+3.42	+1.90	+13.62
N. America	204.09	+3.72	+1.86	+26.05
S. America	163.53	+2.61	+1.62	+42.91
Industrial Indexes				
Capital goods	226.10	+4.56	+2.06	+32.28
Consumer goods	188.95	+3.34	+1.80	+17.05
Energy	195.14	+3.43	+1.79	+14.31
Finance	132.08	+0.30	+0.23	+13.41
Miscellaneous	184.67	-1.74	-0.93	+14.15
Raw Materials	186.25	+2.73	+1.49	+6.20
Service	162.09	+1.19	+0.74	+18.04
Utilities	161.24	+0.13	+0.08	+12.39

The International Herald Tribune World Stock Index © tracks the U.S. dollar values of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. *Compiled by Bloomberg News.*

NYSE

Tuesday's 4 P.M. Close

Nationwide prices not reflecting late trades elsewhere.

The Associated Press.

Continued on Page 16

Japan Bond Yield Hits a Low

Compiled by Our Staff From Dispatches

TOKYO — The yield on the 10-year Japanese government bond touched a record low 2.06 percent on Tuesday on signs that the country's economy would remain weak.

After Taro Aso, director general of the Economic Planning Agency, said sluggish consumer spending and a decline in housing starts were "a matter of concern," the yield on the benchmark No. 182 bond slid to 2.06 percent, although it edged up to 2.07 percent by the end of trading, down from 2.08 percent Monday.

"Aso's comments triggered the rise in bonds," said Kusuo Aoki, chief bond analyst at Yamaichi Securities Co., referring to the rise in bond prices. "The EPA's view, which had been relatively optimistic compared with that of the Bank of Japan, has been toned down." Bond prices move inversely to yields.

The benchmark yield will probably approach 2 percent if the governor of the Bank of Japan, Yasuo Matsushita, confirms in a regular press conference next week that the economic recovery remains sluggish, Mr. Aoki said.

An official at the Ministry of Finance said he thought there would not be a "big change" in Japan's monetary policy "for the time being."

The official said the ministry was carefully watching whether private consumption "has been really weakened or is weak just temporarily." But Finance Ministry officials still maintained the position that the economy was in a moderate recovery trend, although its tempo has been "much slower recently."

Mr. Aso's comments followed a series of reports showing an April 1 increase in the national sales tax slowed the economy. The figures ran counter to the EPA's view last month that the economy was on the path to a self-sustaining recovery and the effects of the tax increase had faded.

Household spending fell a bigger-than-expected 4.7 percent in June from June 1996, the sharpest plunge in 23 years, the Management and Coordination Agency said earlier this month.

In addition, housing starts fell for six straight months from January to June on a year-on-year basis.

Dealers said the buying of government bonds was cautious, especially because the Nikkei stock index fell below 19,000, dropping 80.10 points, to 18,961.00.

(Bloomberg, Bridge News, AFX)

Debts Force Daito Kogyo To File for Bankruptcy

Agence France-Presse

TOKYO — Daito Kogyo Co. filed for bankruptcy on Tuesday, the third construction company to fail this summer, a private credit research agency said Tuesday.

Daito had debts of 155.4 billion yen ($1.3 billion), Teikoku Databank said. It filed for protection with the Tokyo District Court under the corporate rehabilitation law.

Daito Kogyo's failure followed those of Tokai Kogyo KK and Tada Construction Co. in July.

Tokai Kogyo had debts of 511 billion yen and Tada Construction left 171.4 billion yen in liabilities.

John Fairfax's Earnings Fall 16%

Compiled by Our Staff From Dispatches

SYDNEY — John Fairfax Holdings Ltd. reported Tuesday that net profit fell 16 percent in the year ended June as a slowing Australian economy limited advertising revenue at the newspaper publisher.

The company also cited costs associated with a new printing plant for the decline in net profit to 73.9 million Australian dollars ($54.7 million). Sales rose 3 percent, to 1.02 billion dollars.

Although the value of advertising at the company's papers, which include The Sydney Morning Herald and The Age dailies, rose 3 percent, volume fell 2 percent.

Despite the drop in profit, analysts said the results were encouraging. "It was a good result," one analyst in Sydney said. "It does not look like a good result, but it is."

Fairfax said much of the weakness was in the first half of the year. "This result was encouraging and again demonstrated some improvement in economic conditions and the advertising market particularly in the last few months of the year," it said.

Vincent Pepe, media analyst at ABN Amro Hoare Govett Securities, said profit would grow strongly in the next three years based on improving profit margins and a pickup in the Australian economy. He predicted Fairfax would earn $115.9 million in the current year.

Fairfax spent 330 million dollars over the past two years on a plant in Western Sydney to allow it to print more color photos in its newspapers.

Brierley Investments Ltd. of New Zealand owns about 22 percent of Fairfax. Analysts have suggested that Brierley is planning to sell its stake to Kerry Packer, the richest Australian, who has indicated that he would like to control Fairfax but is prohibited from doing so because he has interests in Australian television. The government is reviewing its media-ownership restrictions. *(Reuters, Bloomberg, AFP)*

Currency Woes Slow Asia Oil Refineries

Region Faces Lower Demand for Output

Reuters

TOKYO — The turmoil in the Asian currency markets is especially troublesome for the region's oil refineries, which have been expanding their capacity and now face lower-than-expected demand for their output.

Refinery additions, expected to add some 2.8 million barrels per day to Asia's overall refining capacity by 2000, had just begun to gather speed when widespread currency woes affecting Malaysia, the Philippines, Thailand, and most recently Indonesia hit the region's ability to absorb the growing supplies.

Inventories of middle distillates in the Asian trade center of Singapore last week were a huge 40 percent above year-earlier levels at 10.23 million barrels.

Analysts say new capacity additions during 1996 of 620,000 barrels per day in South Korea and 275,000 in Thailand are largely responsible for the rise, although short-term factors such as lower Chinese diesel buying and a first-quarter importing spree by independent Singapore traders are also to blame.

Growth in Asian oil-product demand, meanwhile, has slowed dramatically in pace-setting economies such as Thailand and South Korea, with demand figures from Indonesia, Malaysia and the Philippines faring little better, analysts say.

Thailand, which has suffered a 20 percent drop in the value of its currency since July 2, was already on shaky demand footing, having logged a 1.2 percent decline in oil product demand for the first half of 1997.

Although refinery construction has been slowed to some extent by the currency crunch, a 300,000 barrels per day climb in Asian crude distillation capacity is still expected by the end of this year, according to data from Washington's Petroleum Finance Co.

"The timing is not at all ideal for the region to be experiencing a product surplus, given the economic slowdown we've seen," said Sara Banaszak, an analyst with the East-West Energy Center, based in Honolulu.

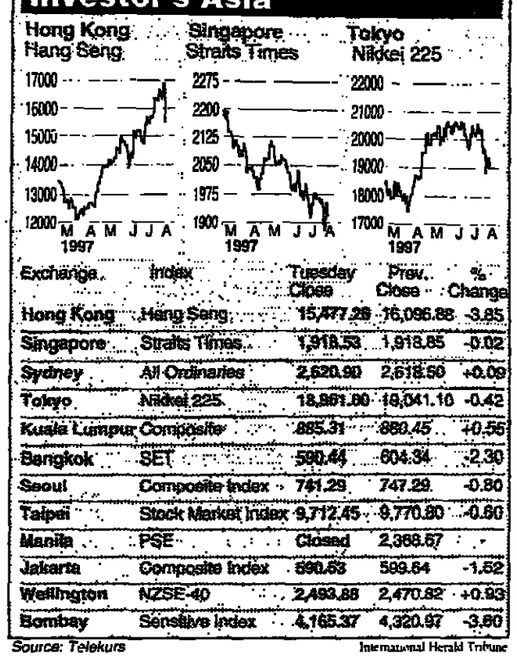
Hardest hit in the near term will be refinery profit margins, as product prices decline against stable crude demand, although traders note that the potential arrival of newly exported Iraqi crude volumes into Asia could provide some relief by pushing crude prices lower.

Iraq began exporting crude oil to world markets last week in the second phase of sales allowed under United Nations resolution 986.

Indonesia, whose currency is also under pressure, still hopes for an additional 250,000 barrels per day of capacity on top of its existing 989,500 and last week laid down measures aimed at facilitating private investment in new plants.

China has banned all new refinery construction until 2000 but will focus on expansion at existing sites, while India's planned increases will probably be delayed by restrictions on foreign capital investment.

Investor's Asia



Exchange	Index	Tuesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	15,477.28	16,096.88	-3.85
Singapore	Straits Times	1,918.53	1,918.85	-0.02
Sydney	All Ordinaries	2,620.90	2,618.56	+0.09
Tokyo	Nikkei 225	18,961.80	19,041.10	-0.42
Kuala Lumpur	Composite	885.31	880.45	+0.55
Bangkok	SET	590.44	604.34	-2.30
Seoul	Composite Index	741.29	747.29	-0.80
Taipei	Stock Market Index	9,712.45	9,770.80	-0.60
Manila	PSE	Closed	2,368.67	
Jakarta	Composite Index	590.63	599.64	-1.52
Wellington	NZSE-40	2,493.88	2,470.82	+0.93
Bombay	Sensitive Index	4,165.37	4,320.97	-3.60

Source: Telekurs — International Herald Tribune

Very briefly:

- **The Philippines'** trade deficit narrowed 5.3 percent to $906 million in June. Exports surged 18.7 percent from the same month in 1996 to a value of $2.129 billion, while imports rose 10.4 percent to $3.035 billion.
- **Vietnam's** Communist Party economic chief in Hanoi, To Dung, demanded curbs on unregistered investments after Vietnam News reported that half of all private businesses in the southern economic hub of Ho Chi Minh City have received illegal funds from foreign backers.
- **NEC Corp.**, the world second largest computer chipmaker, wants to build a 100 billion yen ($850 million) plant in the United States to produce large-scale integrated circuits and 256-megabit dynamic random-access memory chips.
- **Broken Hill Pty.** said it had given its underperforming assets, including **Whyalla Steelworks** in South Australia, **New Zealand Steel** and a Hawaiian oil refinery, until May 1998 to raise return on capital to 10 percent or risk being sold.
- **Singapore's** inflation-adjusted retail sales rose 4.6 percent in June over the same month in 1996 to 2.09 billion Singapore dollars ($1.38 billion), led by sales of furniture and household equipment, which rose 20.6 percent.
- **Philips Electronics NV** raised $283 million selling half of its stake in **Taiwan Semiconductor Manufacturing Co.**, or 51.3 million shares, at 149 Taiwan dollars ($5.20) each.
- **President Enterprises Corp.**, Taiwan's largest food company, said pretax profit for July rose to 5.05 billion Taiwan dollars from 314.8 million dollars in the same month of 1996 after selling 15 percent of **President Chain Store Corp.**, the Taiwan operator of convenience stores.
- **Telecom Corp. of New Zealand said** net profit rose 6.2 percent to 188 million dollars ($120.62 million) in the three months to June 30 from the year-earlier period. The company also said it would try to lower its expenses, which rose 15 percent, by cutting costs in its core business.
- **Japan's** export shipbuilding orders for July surged 172 percent from a year earlier to 1.77 million gross metric tons for a total of 39 vessels. *Bloomberg, AP, AFP, AFX, Reuters*

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BANKS: *Swiss Profits Soar Despite Dispute on Wartime Accounts*

Continued from Page 11

sion into wholesale finance and investment banking," Mr. Conrad said.

Mr. Kalbermatten says that Union Bank is the lowest valued of the big three. Its shares are up roughly 26 percent since the end of 1996, lagging behind the Swiss index increase of 37 percent. Only the Swiss Bank Corp. has outperformed the market. Given the banks' results and the market's momentum, Mr. Kalbermatten says he remains slightly bullish.

In his view, the main risk to the banks' continuing profitability is the possibility of market turmoil in the United States and elsewhere overseas.

But dangers also lurk at home, notably the prospect of higher interest rates as Switzerland's economy emerges from recession.

The Swiss Bank Corp.'s announcement that it put aside $105 million in the first half of this year to cover Swiss real-estate risks was evidence to most analysts of continuing fragility on the domestic side.

For all the negative publicity surrounding their handling of the funds of Nazi victims and their survivors, the banks have so far escaped any discernible damage to their bottom lines from the controversy.

In discussing first-half results last week, Swiss Bank Corp. officers said business in the United States was smooth, even with government agencies, and said they expected no troubles.

AFRICAN DEVELOPMENT BANK
BANQUE AFRICAINE DE DEVELOPPEMENT

INVITATION TO TENDER TO INSURANCE BROKERS FOR INSURANCE OF ADB PROPERTIES

The African Development Bank (ADB) is a multilateral development bank established to contribute to the economic development and the social progress of Africa. The ADB Group has 77 member countries and an authorized capital of US$ 21 billion. The ADB enjoys a triple "A" rating from the major international rating agencies.

The ADB intends to select a firm of insurance brokers to undertake a consultancy mission for the purpose of insurance coverage of the Bank properties.

This invitation is open to firms or consortium of firms from members countries of ADB Group.

The tender documents may be purchased beginning on Wednesday 20 August 1997 from:

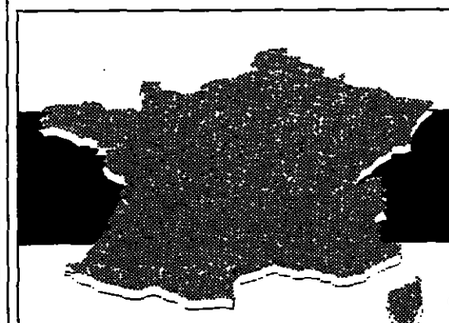
The Director of Department of Administration - Office 108
Avenue Joseph Anoma
BP 1387 Abidjan 01 - Côte d'Ivoire
Tel: 20.40.30 - Fax: 21.64.28

A copy of the tender documents may be obtained by making a non refundable payment of US$ 100. Cheques are to be made payable to: **The African Development Bank.**

The tender documents bids duly completed must be returned to the above mentioned address before 3rd October 1997 at 17:00 hours GMT.

REPUBLIC OF LEBANON
MINISTRY OF MUNICIPAL AND RURAL AFFAIRS
COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION
EMERGENCY RECONSTRUCTION AND REHABILITATION PROJECT FOR LEBANON
SOLID WASTE SECTOR
INVITATION FOR TENDERS
CAZA OF TRIPOLI
SUPPLY OF LANDFILL MOBILE EQUIPMENT

The Republic of Lebanon has received funding from the International Bank for Reconstruction and Development (IBRD) towards the cost of the "Emergency Reconstruction and Rehabilitation Project for Lebanon / Solid Waste" and it is intended that parts of the proceeds of this loan will be applied to eligible payments for the above mentioned contract for the caza of Tripoli.
The Council for Development and Reconstruction (CDR) invites sealed bids from eligible bidders for the following project: " Supply of landfill mobile equipment, namely 1 landfill compactor, 1 track loader, 1 wheel loader, and 1 water tank truck".
This project will be administrated by CDR, based upon the World Bank's guidelines.
Contractors who have already undertaken similar projects are invited to apply for the above-mentioned project and will be subject to post-qualification according to the criteria to be stated in the bidding documents. The bidding documents will be available for collection at CDR offices against the sums of US$ 200 (two hundred) in the form of a banker's certified check in the name of the Council for Development and Reconstruction starting Monday 11 August 1997 and are to be returned before twelve o'clock noon on Friday 26 September 1997 at the following address:
The Council for Development and Reconstruction - Tallet el Serail - Beirut - Lebanon.
Further information may be obtained from: The Council for Development and Reconstruction - Tallet el Serail, Beirut, Lebanon - Phone: 961-1-643981/2/3 - Facsimile: 961-1-864494



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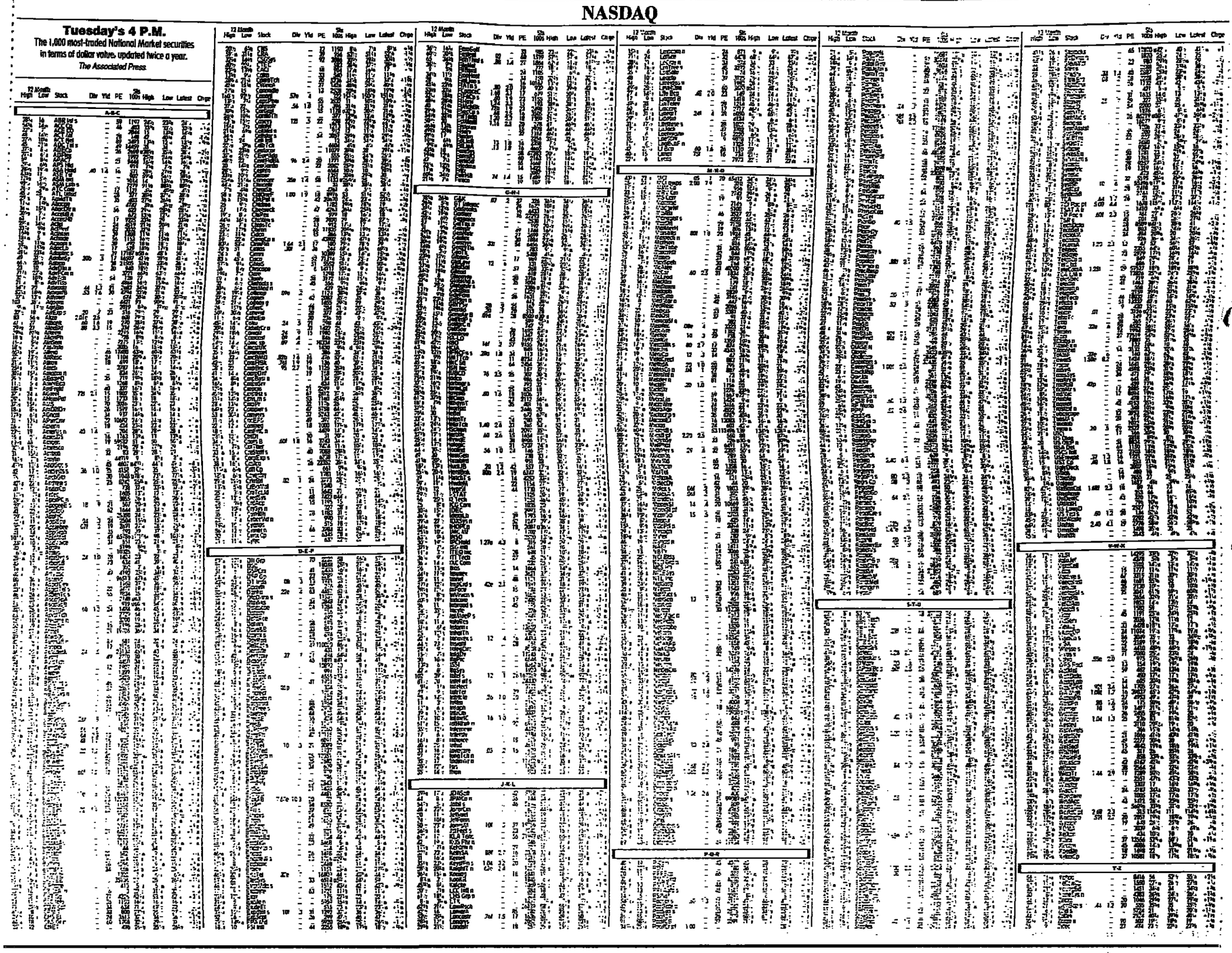
NASDAQ

Tuesday's 4 P.M.

The 1,000 most-traded National Market securities in terms of dollar volume, updated twice a year.

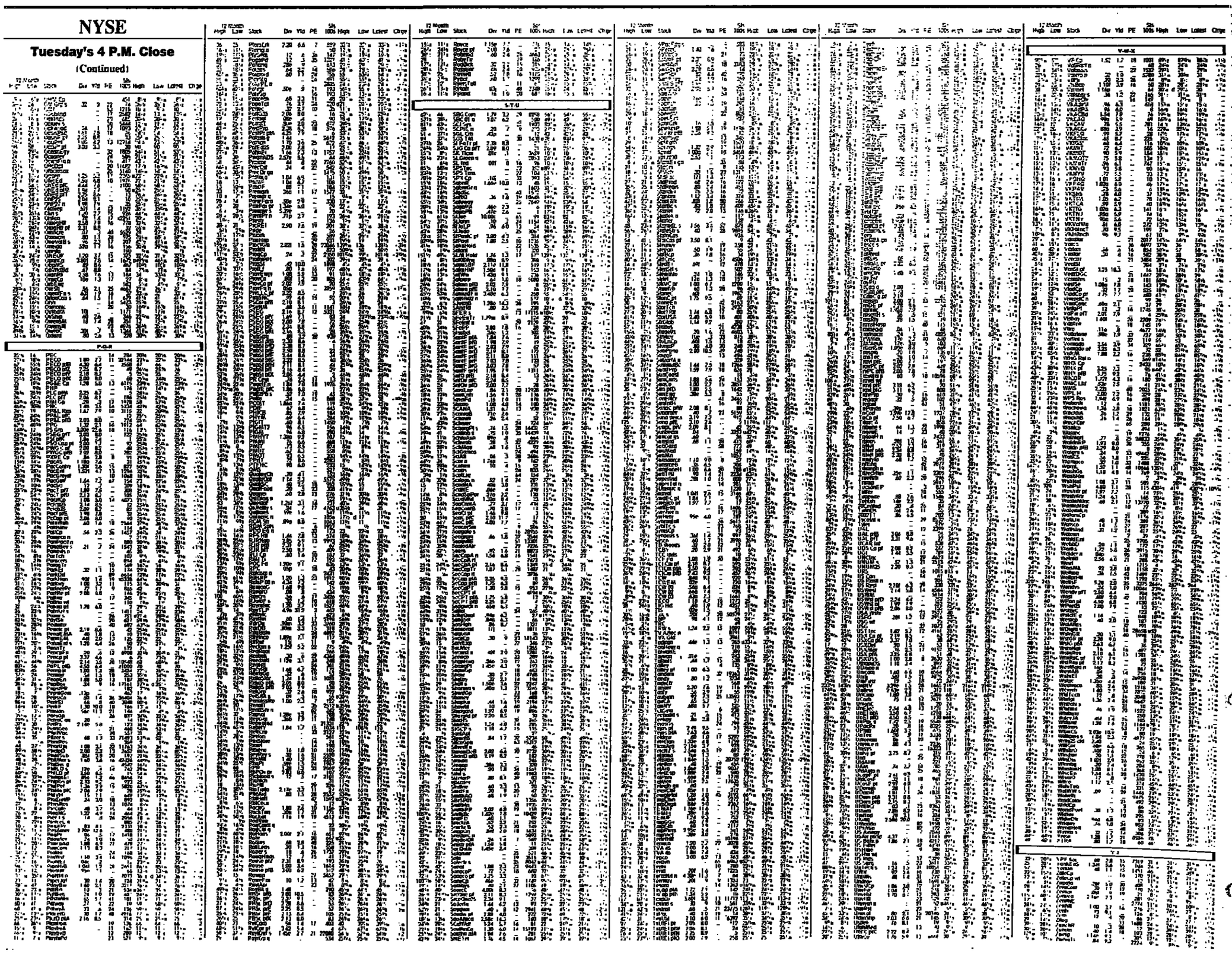
The Associated Press



NYSE

Tuesday's 4 P.M. Close

(Continued)



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d Europe Bond Fd $ 64.86+
d US Bond Fund $ 62.02+
d Germany Bond Fd B DM 114.01+
d Spain Bond Fund Ptas 10893.00+
d Eastern Europe Eq Fd DM 285.46+
d China Equity Fd $ 72.44+
d Switzerland Equity Fd SF 173.79+
d Glob Em Markets Eq Fd $ 47.24+
d Netherlands Eq Fd Fl 96.01+
d Italy Equity Fund Lit 97792.00+
d Euro Bond Fund Ecu 49.95+
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d Italy Bond Fund Lit 99526.00+
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[illegible — remainder of the densely printed fund price listings across all columns]

AS - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; CS - Canadian Dollars; DM - Deutsche Marks; Dkk - Danish Kroner; Do - US Dollars; ECU - European Currency Unit; FF - French Francs; FM - Finnish Mark; FL - Dutch aFlorin; IDR - Indonesian Rupiah; Lit - Italian lire; LF - Luxembourg Francs; p-pence; MYR - Malaysian Ringgit; Ptas - Pesetas; SGS - Singapore Dollars; SF - Swiss Francs; Sek - Swedish Kroner; THB - Thai Baht; Y - Yen;

a - asked + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - stock Split; * - Ex-Dividend; ** - Ex-Rts; - @ Offer Price incl. 3% prelim. charge; * - Paris exchange; ++ -Amsterdam exchange; a - misquoted earlier; x-not registered with regulatory authority. P: Middle of bid and offered price. E: estimated price; y: price calculated 2 days prior to publication; z: bid price.

The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (f) - fortnightly; (r) - regularly; (t) - twice weekly; (m) - monthly.

The Communicator. NOKIA 9000

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Herald Tribune
SPORTS
WEDNESDAY, AUGUST 20, 1997

WORLD ROUNDUP

Wings Trade MVP

ICE HOCKEY Goaltender Mike Vernon, who played in all 20 playoff games as the Detroit Red Wings won the Stanley Cup, was traded to the San Jose Sharks for two draft picks.

Vernon, picked the most valuable player in the playoffs, signed a three-year deal with San Jose worth a reported $2.75 million annually.

Vernon, a five-time All Star, replaced Chris Osgood, the regular-season No.1, in the playoffs. He would have been a free agent after the upcoming season.*(AP)*

Young Flyer Dies

ICE HOCKEY Yanick Dupre, a left wing who played for the Philadelphia Flyers, died Saturday night of leukemia. He was 24.

Dupre, a native of Montreal, was the Flyers' second-round draft pick in the 1991 draft.

"He fought like a tiger and beat all of the medical expectations," said Jacques Dupre, his father.

Dupre learned he had leukemia in April 1996. He played parts of three seasons with the Flyers between 1991 and 1996 and scored twice.*(AP)*

Feyenoord Fans Charged

SOCCER A group of Feyenoord Rotterdam fans appeared before a Dutch court Tuesday, charged with taking part in the fatal beating of a rival supporter. A spokeswoman at the heavily guarded court in Haarlem said the trial of the 14 young men would last at least a week.

Carlo Picornie, an Ajax Amsterdam fan, was clubbed to death in March in a prearranged clash between two rival soccer gangs on wasteland outside Amsterdam.

Police said the showdown involved hundreds of armed fans. Witnesses likened the scene to a seal cull.*(Reuters)*

Cordero's Choice: Trial

BASEBALL Wilfredo Cordero, a Boston Red Sox outfielder, rejected a deal that would have guaranteed he spend no time in jail, and chose instead to go to trial on charges that he assaulted his wife, even though Cordero's lawyer has already complained that his client will not be able to get a fair trial.

Cordero is accused of hitting Ana Cordero with a telephone, threatening her life and later violating an emergency restraining order. The trial was scheduled for Oct. 20.

Kevin Burke, Cordero's attorney, said Cordero felt he would be admitting guilt if he accepted the settlement, even though there would have been no explicit guilty plea. *(AP)*

AP

Marcelo Rios hitting to Jonathan Stark at the MFS Pro Championship in Boston. Rios won, 6-7 (1-7), 6-2, 7-6 (7-1).

Orioles Roll Along, Sweeping the Angels

Lead Over Yankees Mounts to 5

The Associated Press

Pinch-hitter Harold Baines drove in the winning run in the bottom of the ninth on the Anaheim Angels' second error of the inning, giving the Orioles a 2-1 victory and a three-game sweep in Baltimore.

After blowing a six-run lead to lose on Saturday, the Angels went to extra innings before falling Sunday. The series finale Monday was more of the same, but Terry Collins, the Anaheim manager, insisted he saw some good things, too.

"We can leave here saying we played them inning for inning, pitch for pitch, three straight nights," Collins said. "Yeah, we could be down because we got beat, but you better look at one thing — we can play with them."

With one out in the ninth, Jeffrey Hammonds reached first when Dave Hollins misplayed his grounder to third. Chris Hoiles then lined a hit-and-run single to right, sending Hammonds to third.

Mike Holtz replaced starter Dennis Springer and Baines hit a grounder that bounded off the glove of first baseman Darin Erstad as Hammonds raced home.

The Orioles' 16th victory in 21 games gave them a 5-game lead over the idle New York Yankees in the AL East.

Meanwhile, the Angels indefinitely suspended leadoff hitter Tony Phillips, who is facing a felony charge of cocaine possession.

Phillips has not played since he was arrested at a motel on Aug. 10. The Angels suspended him after he turned down the team's request to go on the disabled list and take part in a drug rehabilitation program.

White Sox 5, Mariners 0 In Chicago, rookie pitchers Scott Eyre and Keith Foulke combined on a four-hitter and Jorge Fabregas drove in three runs.

Eyre allowed three hits in five innings and Foulke, who came over from San Francisco in a nine-player deal on July 31, allowed just one hit in the final four innings for his first major league save.

Indians 5, Blue Jays 3 In Cleveland, David Justice hit a three-run homer, his fifth in a week, and Orel Hershiser pitched the Indians to their fifth victory in six games.

Justice batted .513 as first-place Cleveland went 7-5 on a home stand that got off to an ominous 1-3 start last week, sparking debate about manager Mike Hargrove's future.

Justice, who batted in 15 runs on the home stand, put Cleveland up, 3-0, with his 24th homer in the first.

Brewers 8, Rangers 5; Rangers 2, Brewers 0 In Arlington, Texas, Rick Helling allowed one hit in eight innings in his first start for Texas since he returned to the club.

In the opener, Gerald Williams drove in three runs, Juan Gonzalez homered twice, Julio Franco went 3 for 4 and starter Scott Karl won his sixth straight.

Helling was reacquired by the Rangers in a trade with Florida on Aug. 12. He was sent to the Marlins last Sept. 3 as part of a deal that brought John Burkett to Texas for the Rangers' pennant stretch drive.

Lee Stevens's two home runs accounted for the only scoring in the second game.

In National League games:

Phillies 12, Giants 3 There was no loud music playing even though there was plenty of cause for celebration in the Philadelphia Phillies' clubhouse.

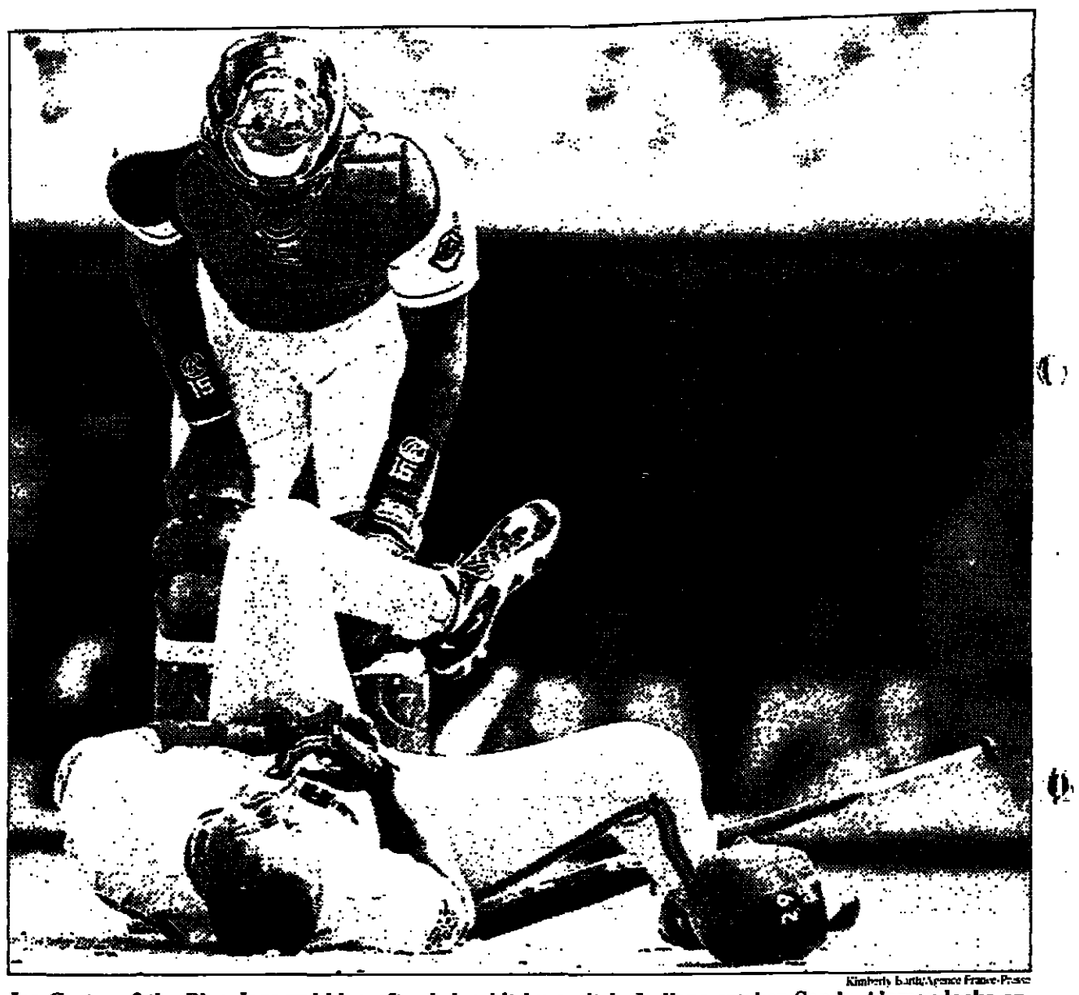
"That's because this is what we expect now," Rex Hudler explained after Philadelphia continued its hot streak with a victory over San Francisco in Philadelphia.

Billy McMillon and Mike Lieberthal became the first pair of Phillies to connect for grand slams in the same game in 76 years.

The Phillies were baseball's laughing stock as recently as five weeks ago. They still have the worst record in the major leagues — 45-76 — but have won seven of eight and 15 of 19.

"In case anybody hadn't noticed, we're turning into a pretty good ballclub," said Matt Beech, the rookie pitcher whose recovery from an 0-7 start has coincided with his team's upswing.

BASEBALL ROUNDUP



Kimberly Barth/Agence France-Presse

Joe Carter of the Blue Jays writhing after being hit by a pitch. Indians catcher Sandy Alomar looks on.

Beech (2-7) won his second straight start, limiting the Giants to three hits and one earned run in seven innings.

McMillon, called up from Triple-A Scranton earlier in the day, got the first slam in the fourth inning when he lined a fastball from Mark Gardner over the right-field wall.

McMillon was obtained from Florida in a trade for Darren Daulton.

Lieberthal, emerging as the catching replacement for Daulton with the Phillies, got the second grand slam to close out the Phillies' six-run sixth.

"We have been playing some great baseball lately, and today's no different," said Lieberthal, whose 18th homer of the season was his first grand slam. "Our pitching's giving us a chance to win, and we're hitting better."

The Giants, who committed just eight errors in their previous 20 games, made up for that by committing four, three in the sixth.

Second baseman Mark Lewis, who made two of the errors, shrugged off the loss.

"Sometimes you have games like this where nothing goes your way," he said. "You just have to bounce back tomorrow."

Pirates 7, Marlins 2 Pittsburgh took advantage of errors by shortstop Edgar Renteria and third baseman Bobby Bonilla in the seventh inning to win at Florida.

The score was 2-2 when Jermaine Allensworth, who had already homered and singled, doubled to start the Pirates seventh. Mark Smith hit a run-scoring single and Eddie Williams doubled before the two errors added a pair of runs.

Dale Sveum hit a two-run homer in the ninth for Pittsburgh and Moise Alou homered for the Marlins.

Florida starter Kirt Ojala, who spent eight seasons in the minors, lasted 3⅓ innings in his major league debut. He gave up two runs on four hits and three walks.

Johnson Leads Jaguars Over 49ers, 28-20

The Associated Press

SAN FRANCISCO — Ron Johnson, making his first start at quarterback in place of Mark Brunell, who is injured, threw for three touchdowns and led another scoring drive as the Jacksonville Jaguars beat the San Francisco 49ers, 28-20, in an exhibition game Monday night.

"Everyone expected that type of game from him. He was very cool and showed good leadership on the field," said Tom Coughlin, the Jacksonville coach.

The 49ers (1-2), gave a sloppy performance that included four turnovers in the first half, when the starters were on the field.

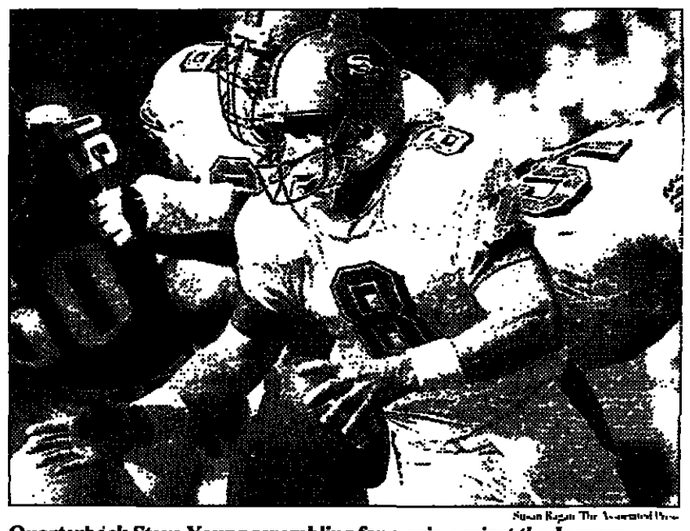
Johnson, a third-year pro from Southern California who has appeared in nine NFL games — eight in the preseason, — completed 11 of 13 passes, including the last nine straight. He passed for 226 yards while playing into the third quarter.

Keenan McCardell helped settle Johnson into the job, catching five passes for 127 yards, including a 34-yarder for a touchdown and a 23-yarder that set up a touchdown run by Natrone Means.

"I was pretty comfortable out there, knowing I was going up against a pretty good defense. Guys were open and they made the plays," Johnson said.

The showing was an encouraging development for Jacksonville (3-0), shaken last week by the knee injury to Brunell, who will need about eight weeks of rehabilitation.

There was also an audible gasp from the San Francisco crowd when cornerback Dave Thomas jolted Jerry Rice as he was preparing to haul in a pass from Steve Young. The force of the blow separated Rice from the ball and knocked him to the ground. Shaken up, he trotted off the field, but returned after missing one play and finished with three receptions for 61 yards, including a 35-yarder.



Susan Ragan/The Associated Press

Quarterback Steve Young scrambling for a gain against the Jaguars.

Judgment Day Arrives in NFL As Coaches Make First Cuts

The Associated Press

Twenty years of experience as a National Football League player and coach don't make it any easier for Tony Dungy to make squad cuts.

"It's difficult," the second-year coach of the Tampa Bay Buccaneers said. "Especially the way it is now where you get guys in March, you've got your off-season program and they've been here four or five months, and you've got to tell them they're not going to be with you.

"In a lot of cases, guys have done everything that's been asked," he said.

Nineteen players, including veteran safety Todd Scott, were waived by Tampa Bay Monday as Dungy trimmed the roster to 60 players.

"Obviously, we had some tough decisions," the general manager, Rich McKay said. "I expect next week's cut down to 53 will be even harder."

Among other players cut Monday, were Reggie Rivers, a running back and special-teams player who had been with the Denver Broncos for six years. Rivers, 29, played in 69 games, rushed for 428 yards, caught 75 passes for 675 yards and scored eight touchdowns for Denver.

The New Orleans Saints cut Jake Delhomme, the record-setting quarterback from Southwestern Louisiana, but he expects to join the practice squad.

The Green Bay Packers placed Edgar Bennett, a halfback, on injured reserve. He will miss the season with a torn Achilles' tendon. The Miami Dolphins placed receiver Yatil Green, their first round draft pick, on injured reserve.

■ Sanders' Injury Sidelines Him

Deion Sanders will miss a few baseball games because of a bulging disk in his back, and he is starting to worry that the problem will affect his football career as well, The Associated Press reported.

Sanders had another cortisone injection in his lower back Monday and will miss the Cincinnati Reds' next two games while undergoing therapy.

The star player in two sports is concerned that the problem might interfere with his plans to play cornerback for the Dallas Cowboys. Under his unusual contract with the Reds, Sanders will be allowed to leave on weekends to play regular-season games for Dallas.

He had hoped to be working out now to get in condition for football, but the bulging disk has limited him.

GAMBLE: *Government Goes After Betting Parlors on the Web*

Continued from Page 1

set up a gambling site but was stopped by a lawsuit.

Others argue that Congress should accept Internet gambling and regulate it. "Go ahead, take our tax money," said Jay Cohen, who operates the sports betting site World Sports Exchange out of Antigua.

Gambling sites, which are available to anyone with access to the Internet in any country come in two general flavors: those that offer casino games such as blackjack, roulette and craps, and those that take bets on sporting events. Sports book sites outnumber on-line casinos by about 2 to 1. Some sites specifically cater to non-U.S. customers: Intertops, a sports betting site now in Antigua but formerly located in Austria accepts bets in German.

In a typical casino site, a first-time gambler must open an account, usually by providing a credit card number. Many sites require that customers mail in a minimum deposit ahead of time, usually from $100 to $500. Bets can be placed for as little as $10.

Site operators have computers that run complex programs that are supposed to simulate the chance and skills of a particular game. After receiving bets from across the Internet, they conduct a game — simulating the spin of a roulette wheel, say — and report back to players whether the outcome. The player is left largely to take on faith that the game was played honestly.

The industry is nothing if not full of potential, analysts says, providing a service that people often cannot obtain otherwise in their home states. Americans spent $550 billion on gambling last year — more than three times the revenue of General Motors Corp.

Mr. Cohen believes in on-line wagering so much that he quit a high-paying job on the Pacific Stock Exchange and took a gamble of his own in Antigua in January, starting World Sports Exchange. The licensed sports book operation has about 400 customers. His site, and similar ones, aim to make money the same way bookies in the real world do: They set odds that they hope will give them an advantage and thus produce a profit.

Mr. Cohen said he is mystified at the hullabaloo over Internet gambling.

"Why should this be any different from going to Vegas?" he asked. "If anything, we're more responsible. Vegas is all about sucking you in."

"We don't pour drinks down people's throats," he added, "trying to impair their judgment."

He said that his site included links to the Gamblers Anonymous Web Site and was registered with such child-protection services as Net Nanny as a way to ensure that underage gamblers did not bet.

The recent Supreme Court ruling overturning the Communications Decency Act, a law that provided for criminal penalties for people who make "indecent" material available to minors on-line, is a signal that government should keep its "hands off the Internet," he said.

But governmental regulation has not gone away. Senator Jon Kyl has introduced a bill that would update the Interstate Wire Act, which makes it illegal to use a telephone to assist betting across state lines, to specifically prohibit Internet gambling. Under the Arizona Republican's bill, operators of on-line gambling sites would be punished with fines of up to $20,000 and prison terms of up to four years, and individual bettors would face $2,500 fines and six-month prison terms.

"Virtual casinos make it easier for those with gambling addictions to sink deeper into debt and despair because all they have to do is sit down and log on," said the chairman of the Judiciary subcommittee on technology, terrorism and government information.

Supporting Mr. Kyl are a host of state attorneys general. The National Association of Attorneys General has enthusiastically endorsed the legislation, and attorneys general such as Jay Nixon of Missouri and Hubert H. Humphrey 3d of Minnesota are using the courts to fight on-line betting.

"If gambling in general is a dumb bet," said James Doyle, the Wisconsin attorney general who heads the association, "then gambling on the Internet is a very dumb bet. The odds can be easily manipulated, and there is no guarantee that fair payouts will occur."

The central legal issue with on-line gambling is whether the bet takes place where the bettor is or where the on-line service is. If someone can fly to the Caribbean and place a bet, why should a virtual visit be different? To Mr. Nixon, the law is clear: Internet gambling is not legal in Missouri, no matter where the on-line bookies are based.

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Irish Star Gets Back In the Swim With Victory

SCOREBOARD

BASEBALL

هكذا من الأصل

SPORTS

Irish Star Gets Back In the Swim With Victory

Compiled by Our Staff From Dispatches

SEVILLE — Michelle de Bruin of Ireland — formerly Michelle Smith — won gold in the 400-meter individual medley in the European Swimming Championships Tuesday, her first big race since she won three gold medals a year ago in the Atlanta Olympics.

De Bruin, 27, who has raced little since Atlanta and had no qualifying time in the 400, an event she won in Atlanta, clocked 4 minutes 42.08 seconds, the best time in Europe this season and the third best time in the world.

Yana Klochkova of Ukraine was second in 4:43.07 and Hana Cerna of the Czech Republic was third in 4:44.05.

De Bruin had entered six events in Seville but pulled out of the 800-meter freestyle. She is the defending European champion in the 200 butterfly and 200 medley. She won the 200 medley and 400 medley and the 400 freestyle in Atlanta.

She is entered under the surname of her husband, Erik de Bruin. She has threatened to pull out of the championships if there are too many questions about drugs or about her husband, a former Dutch discus thrower and shot putter, who recently completed a drug ban.

In qualifying for the men's 100 meters breaststroke, Andrei Korneyev, the Olympic bronze medallist, and Thomas Schmolt, a German, were disqualified in the same heat after two false starts.

They were ushered away by the starter when they ignored the disqualification and got back onto their blocks. Schmolt then scampered back once more before accepting the ruling. *(AP, Reuters)*

I. I Guillen/ Agence France-Presse

Jose Luis Hidalgo, top, and Ruben Santos of Spain leaping from the three-meter board in the synchronized diving competition at the European swimming championships in Seville. Holger Schlepps and Alexander Mesch of Germany won the gold medal. The Spanish pair took silver.

German Coach Sends His Love

International Herald Tribune

World Soccer / **Rob Hughes**

LONDON — The letter from the Bundestrainer dropped on the doormats of each German national team soccer player. It was intended to drop heavily.

One year ago, Berti Vogts had been their friend and mentor as Germany won the European championship. One year hence, he hopes to lead them through the World Cup finals. Right now, Vogts, the national team coach, is looking for professional honesty rather than the friendship of his players.

He spelled out to them his "total dissatisfaction" with their performances since Euro 96. He named names. He pointed the finger. He warned: "If we don't improve in preseason preparations, we could have problems qualifying for the World Cup, or trying to put on a show if we get there."

The royal "we" was interesting. Vogts, 11 years now the butt of German disaffection when things go slightly wrong, is the sole selector. He is the man who will be kissed (again) by Chancellor Helmut Kohl, or kicked into Germany's growing unemployment queue.

If his letter has penetrated, it will show on Wednesday. His team is in Belfast for a World Cup qualifier against Northern Ireland. Five times in 20 years, Germans have met Ulstermen. Five times Northern Ireland has resisted defeat. It upset Germany, 1-0, in Hamburg in 1983 in European qualifying and drew a World Cup game, 1-1, in Nuremberg in November.

There is something about the Irish when they have no hope of qualifying, and nothing to lose in having a go.

There, I believe, lies the crux of Berti's briefing. For the first time in a decade, he has been unable to arrange a warm-up match. Maybe he worries that players coming off the beach will not be as hardened as Germans normally are.

The players can read between the lines; they know the pressures on Berti, and two thirds of them, being the wrong side of 30, know his mind games.

They know that the letter, with its criticism that "some of you believe how good you are, listening to your friends instead of the coach" was intentionally leaked for public consumption.

We have heard it before. In 1978, Helmut Schoen berated the mercenary players he previously coached to World Cup glory. In 1990, Franz Beckenbauer used the energy from battles in the dressing room to fuel Germany's World Cup victory. When German players bicker, they become serious. When they are serious, they win.

Vogts is stirring up Germany to rout the Irish. He cannot accept that there is a Northern Irish defender as dependable as Jurgen Kohler (31 years, 91 caps), a midfielder as effervescent as Thomas Hassler (31 years, 83 caps), or a striker as potent as Jurgen Klinsmann (33 years, 96 caps, 41 goals).

Vogts complained that Germany should have crushed Northern Ireland, 6-1 or 7-1, in Nuremberg. Tommy Wright, the goalie who blocked Ireland's net that night is injured. So is his deputy.

Klinsmann ought to be hungry for a goal because he hasn't scored for Germany in 10 hours and four minutes. Like Christian Ziege and Oliver Bierhoff, he plays in Italy, where clubs have not yet started the competitive season.

Vogts trusts Klinsmann to show the benefit of a summer's rest on limbs so athletic, if in sports terms so aging.

The Bundestrainer expects his men to deliver — to improve a record that reads played eight, won five, drawn three, lost none since Euro 96 but ended last season with a goalless draw in Ukraine.

Moreover, Vogts isn't satisfied with progress since the 1994 World Cup, even though Germany has been beaten only twice in 37 matches.

The problem is that Germany, as a nation, has begun to do something it hasn't done for 50 years — to doubt its own dynamism, its economic power. Implicit in his message is that millionaire players can lift the depression.

Ukraine and Portugal lead Germany in European Group 9. But if Germany matches ego with effort, qualifying should be no problem. Typically, Germany's officials have arranged for their team the advantage of playing the last three matches at home: versus Portugal on Sept. 6, then Armenia and Albania.

If the attitude is right, next summer's letters will be kinder, and weighed down by Deutsche marks.

COLOMBIA'S players have more reason to be wary. Like Klinsmann, the Colombian captain, Carlos Valderrama, and his pals are too long in the tooth to be kidded.

Some played in 1994, when an acquiescent defeat to the United States was followed by the death in Medellin of Andrez Escobar, a defender who scored an own goal, and was shot and killed.

On Wednesday, Colombia is again on World Cup duty. It is expected to beat Bolivia, to regain ground in the fevered South American qualifying battle in which four countries will qualify.

Colombia has blown from hot favorites to fickle outsiders. After it fell, 4-1, to Chile in July, death threats and drug stories started again.

"I thought we had moved on from 1994," said coach Hernan Dario Gomez. His players girded themselves, beat Ecuador 1-0, and restored some faith.

Their's is a claustrophobic existence. Juan Josi Bellini, one-time Colombian FA president, is in jail accused of accepting drug money. A state investigator says 80 of the leading 142 shareholders in Colombia's 16 major clubs are involved in drug trafficking or money laundering. The last thing anyone needed was for Anthony De Avila to dedicate his winning goal against Ecuador on July 20 to two jailed cocaine cartel members.

Rob Hughes is on the staff of The Times of London.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Baltimore	77	43	.642	—
New York	73	49	.598	5
Boston	62	63	.496	17½
Toronto	59	63	.484	19
Detroit	57	66	.463	21½
CENTRAL DIVISION				
Cleveland	64	57	.529	—
Chicago	60	63	.488	5
Milwaukee	60	63	.488	5
Kansas City	51	69	.425	12½
Minnesota	51	72	.415	14
WEST DIVISION				
Seattle	69	55	.556	—
Anaheim	68	56	.548	1
Texas	60	65	.480	9½
Oakland	50	75	.400	19½

NATIONAL LEAGUE

EAST DIVISION

	W	L	Pct.	GB
Atlanta	76	49	.608	—
Florida	71	52	.577	4
New York	67	56	.545	8
Montreal	61	61	.500	13½
Philadelphia	45	76	.372	29
CENTRAL DIVISION				
Houston	66	58	.532	—
Pittsburgh	61	63	.492	5
St. Louis	56	67	.455	9½
Cincinnati	54	68	.443	11
Chicago	50	75	.400	16½
WEST DIVISION				
San Francisco	70	56	.556	—
Los Angeles	67	57	.540	2
Colorado	60	64	.484	9
San Diego	60	64	.484	9

MONDAY'S LINESCORES

AMERICAN LEAGUE

Toronto	002	100	000	—3	3	0
Cleveland	301	001	00x	—5	9	2

W.Williams, Plesac (7), Quantrill (7) and B. Santiago; Hershiser, M.Jackson (6), Mesa (9) and S. Alomar. W—Hershiser 11-5. L—W. Williams 7-11. Sv—Mesa (6). HRs—Toronto, Sprague (12), Sn.Green (16). Cleveland, Ramirez (20), Justice (24).

Milwaukee	042	000	002	—8	12	1
Texas	100	102	100	—5	9	0

Karl, Fetters (6), Do.Jones (9) and Matheny; Sturtze, Whiteside (3), Gunderson (9), Patterson (9) and I. Rodriguez. W—Karl, 8-10. L—Sturtze, 1-1. Sv—Do.Jones (26). HRs—Milwaukee, Ju.Franco (4). Texas, Ju.Gonzalez 2 (30).

Second Game

Milwaukee	000	000	000	—0	1	0
Texas	000	010	10x	—2	7	0

Adamson, A. Reyes (7) and Levis; Helling, Wetteland (9) and Leyritz. W—Helling, 1-0. L—Adamson, 3-2. Sv—Wetteland (27). HRs—Texas, L. Stevens 2 (15).

Anaheim	000	001	000	—1	7	2
Baltimore	001	000	001	—2	5	0

D.Springer, Holtz (9) and Td.Greene; Mussina, Rhodes (8), Mills (9) and Hoiles. W—Mills, 2-1. L—D. Springer, 8-6.

Seattle	000	008	000	—8	4	0
Chicago	001	103	00x	—5	9	0

Lira, Spoljaric (4), B. Wells (7) and Da.Wilson; Eyre, Foulke (6) and Fabregas. W—Eyre, 2-2. L—Lira, 5-8. Sv—Foulke (1).

NATIONAL LEAGUE

Pittsburgh	001	100	302	—7	11	1
Florida	001	100	000	—2	7	3

Loaiza, Christiansen (7), M. Wilkins (8), Loiselle (9) and Kendall; Ojala, Alfonseca (4), F. Heredia (7), Cook (8), Nen (9) and C.Johnson. W—Loaiza, 9-8. L—Alfonseca, 1-1. HRs—Pittsburgh, Allensworth (3), Sveum (11). Florida, Alou (17).

San Francisco	000	011	001	—3	6	4
Philadelphia	004	006	02x	—12	16	2

Gardner, Mulholland (4), Poole (7), R. Rodriguez (8) and B.Johnson; Beech, Blazier (8) and Lieberthal. W—Beech, 2-7. L—Gardner, 12-7. HRs—Philadelphia, Lieberthal (18), McMillon (1).

AMERICAN LEAGUE LEADERS

	G	AB	R	H	Avg.
FThomas ChW	108	394	80	134	.340
Justice Cle	101	353	60	118	.334
O'Neill NYY	115	425	76	141	.332
Ramirez Cle	113	418	70	138	.330
MVaughn Bos	104	386	73	127	.329
WClark Tex	108	391	56	128	.327
BeWilliams NYY	92	359	77	117	.326
EMartinez Sea	124	436	88	142	.326
Greer Tex	122	465	83	150	.323
Cora Sea	116	456	85	145	.318

RUNS—Garciaparra, Boston, 94; Knoblauch, Minnesota, 94; Griffey Jr, Seattle, 92; Jeter, New York, 89; E. Martinez, Seattle, 88; B. LHunter, Detroit, 86; Cora, Seattle, 85.

RBI—T. Martinez, New York, 116; Griffey Jr, Seattle, 114; J. uGonzalez, Texas, 100; Salmon, Anaheim, 98; F. Thomas, Chicago, 98; O. Neill, New York, 96; ToClark, Detroit, 90.

HITS—Garciaparra, Boston, 162; Greer, Texas, 150; Jeter, New York, 147; I. Rodriguez, Texas, 146; G. Anderson, Anaheim, 145; J. hValentin, Boston, 145; Cora, Seattle, 145.

DOUBLES—JhValentin, Boston, 39; Cirillo, Milwaukee, 35; A. Rodriguez, Seattle, 35; Cora, Seattle, 35; O. Neill, New York, 34; Garciaparra, Boston, 33; 6 are tied with 30.

TRIPLES—Garciaparra, Boston, 9; Knoblauch, Minnesota, 9; Jeter, New York, 7; Alicea, Anaheim, 7; Damon, Kansas City, 6; Burnitz, Milwaukee, 6; Offerman, Kansas City, 6; Vizquel, Cleveland, 6; B. Anderson, Baltimore, 6.

HOME RUNS—Griffey Jr, Seattle, 40; T. Martinez, New York, 39; McGwire, Oakland, 34; Thome, Cleveland, 33; JuGonzalez, Texas, 30; Bulmer, Seattle, 30; F. Thomas, Chicago, 28.

STOLEN BASES—B. LHunter, Detroit, 61; Knoblauch, Minnesota, 48; Nixon, Toronto, 47; TGoodwin, Texas, 40; Vizquel, Cleveland, 34; Durham, Chicago, 26; A. Rodriguez, Seattle, 22.

PITCHING (14 Decisions)—Clemens, Toronto, 19-4, .826, 1.78; R. aJohnson, Seattle, 16-4, .800, 2.40; Mayer, Seattle, 12-4, .750, 4.26; Erickson, Baltimore, 14-5, .737, 3.39; D. Wells, New York, 14-5, .737, 3.60; Mussina, Baltimore, 13-5, .722, 3.19; Blair, Detroit, 12-5, .706, 4.12.

STRIKEOUTS—RaJohnson, Seattle, 256; Clemens, Toronto, 226; Core, N.Y., 215; Mussina, Baltimore, 167; Appier, Kansas City, 152; C. Finley, Anaheim, 152; Fassero, Seattle, 149.

SAVES—M. Rivera, New York, 38; RoMyers, Baltimore, 36; R. Hernandez, Chicago, 27; Wetteland, Texas, 27; DaJones, Milwaukee, 26; TaJones, Detroit, 23; Taylor, Oakland, 21.

NATIONAL LEAGUE LEADERS

	G	AB	R	H	Avg.
LWalker Col	119	445	110	169	.380
Gwynn SD	114	457	69	173	.379
Piazza LA	116	419	73	146	.348
Lofton Atl	87	364	65	125	.343
Joyner SD	103	358	50	119	.332
Alfonzo NYM	112	376	60	121	.322
Lankford StL	96	348	47	111	.319
McGrace ChC	115	421	60	134	.318
Galarraga Col	117	459	87	146	.318
Blauser Atl	119	410	70	128	.312
Bonilla Fla	119	439	59	137	.312

RUNS—Biggio, Houston, 110; L. Walker, Colorado, 110; Bonds, San Francisco, 87; Galarraga, Colorado, 87; Bagwell, Houston, 86; E. cYoung, Colorado, 78; Kent, San Fran., 75.

RBI—Galarraga, Colorado, 113; Bagwell, Houston, 105; L. Walker, Colorado, 101; Gwynn, San Diego, 99; Kent, San Francisco, 96; C. hJones, Atlanta, 95; Alou, Florida, 94.

HITS—Gwynn, San Diego, 173; L. Walker, Colorado, 169; Biggio, Houston, 151; Piazza, Los Angeles, 146; Galarraga, Colorado, 146; Mondesi, Los Angeles, 145; ChJones, Atlanta, 144; VGuerrero, Pittsburgh, 144.

DOUBLES—Grudzielanek, Montreal, 44; Morandini, Philadelphia, 36; L. Walker, Colorado, 36; Gwynn, San Diego, 35; Lansing, Montreal, 34; Bonilla, Florida, 34; ChJones, Atlanta, 33; Bagwell, Houston, 31; Biggio, Houston, 31.

TRIPLES—DeShields, St. Louis, 11; W. Guerrero, Los Angeles, 9; Womack, Pittsburgh, 9; Rando, Pittsburgh, & D. Sanders, Cincinnati, 7; Daulton, Florida, 7; Tucker, Atlanta, 6; EcYoung, Colorado, 6; McRae, New York, 6; L. Johnson, Chicago, 6.

HOME RUNS—L. Walker, Colorado, 36; Bagwell, Houston, 33; Castilla, Colorado, 31; Galarraga, Colorado, 31; Bonds, San Francisco, 30; Piazza, Los Angeles, 27; Hundley, New York, 26; Sosa, Chicago, 26.

STOLEN BASES—D. Sanders, Cincinnati, 56; Womack, Pittsburgh, 44; D. eShields, St. Louis, 43; EcYoung, Colorado, 32; Q. Veras, San Diego, 29; Henderson, San Diego, 29; Biggio, Houston, 27.

PITCHING (14 Decisions)—Neagle, Atlanta, 16-3, .842, 2.84; Kile, Houston, 16-3, .842, 2.32; G. Maddux, Atlanta, 16-3, .842, 2.38; Estes, San Francisco, 15-4, .789, 2.98; J. Hamilton, San Diego, 10-4, .714, 4.06; P. JMartinez, Montreal, 14-6, .700, 1.70; Juden, Montreal, 11-5, .687, 4.22.

STRIKEOUTS—Schilling, Philadelphia, 242; P. JMartinez, Montreal, 219; Nomo, Los Angeles, 187; Smoltz, Atlanta, 172; K. JBrown, Florida, 171; Kile, Houston, 162; AlBenes, St. Louis, 160.

SAVES—Beck, San Francisco, 34; Nen, Florida, 30; JoFranco, New York, 30; Hoffman, San Diego, 29; Wohlers, Atlanta, 29; ToWorrell, Los Angeles, 29; Eckersley, St. Louis, 29.

Japanese Leagues

CENTRAL LEAGUE

	W	L	T	Pct.	GB
Yakult	59	39	2	.602	—
Yokohama	52	43	—	.547	5.5
Hiroshima	50	47	—	.515	8.5
Chunichi	47	54	1	.465	13.5
Hanshin	44	54	1	.449	15.0
Yomiuri	42	57	—	.424	17.5

PACIFIC LEAGUE

	W	L	T	Pct.	GB
Orix	53	38	3	.582	—
Seibu	52	44	2	.542	3.5
Nippon Ham	49	51	1	.490	8.5
Daiei	48	52	—	.480	9.5
Kintetsu	46	53	2	.465	11.0
Lotte	41	57	2	.446	12.5

TUESDAY'S RESULTS

CENTRAL LEAGUE

Yokohama 3, Yakult 2
Yomiuri 4, Hanshin 2
Hiroshima 10, Chunichi 3

PACIFIC LEAGUE

Daiei 11, Orix 6
Seibu 8, Lotte 3
Kintetsu 2, Nippon Ham 0.

FOOTBALL

NFL Preseason

Jacksonville 28, San Francisco 20.

TRANSITIONS

BASEBALL

AMERICAN LEAGUE

ANAHEIM —Suspended OF Tony Phillips indefinitely.

CHICAGO—Acquired SS Juan Bautista from Baltimore Orioles to complete July 29th trade for DH Harold Baines.

SEATTLE —Recalled RHP Felipe Lira from Tacoma, PCL. Sent INF Andy Sheets to Tacoma.

NATIONAL LEAGUE

NL—Announced 3-day suspension of San Francisco's Jeff Kent was reduced to two days, Aug. 19 and 20.

COLORADO —Announced resignation of Mike Swanson, public relations director, effective Oct. 1 to take similar position with Arizona Diamondbacks.

PHILADELPHIA —Optioned OF Ricky Otero to Scranton, IL. Sent RHP Scott Rufficorn outright to Scranton. Recalled OF Billy McMillon and RHP Ron Blazier from Scranton.

SAN FRANCISCO—Put C Damon Berryhill on 15-day disabled list. Recalled C Doug Mirabelli from Phoenix, PCL.

BASKETBALL

NATIONAL BASKETBALL ASSOCIATION

DALLAS —Signed G Erick Strickland to 6-year contract.

L.A. CLIPPERS—Signed C Nate Huffman.

FOOTBALL

NATIONAL FOOTBALL LEAGUE

ATLANTA —Released QB Tommy Maddox, WR Tyrone Brown, G Jeff Pahukoa, RB Richard Huntley, DT Troy Bailey, LB Paschall Davis, CB Tim Denton, WR Omar Ellison, LB Jamal Fountaine, DT Brad Keeney, PK David Lauder, G Keith Lonekee, WR Pearce Pegross, S Terry Ray, DE Jason Simmons, Wr Kevin Thomal and DT Mathias Vavoo. Put FB Fred Lester on injured reserve.

BALTIMORE —Waived LB Rusty Arrington, LB Shawn Banks, OL Matt Cravens, OL Craig Novitsky, OL Kireem Swinton, DE Mike Ivey, TE Bill Khayat, DB Verone McKinley, DB Jermaine Trent, DB Michael Wright, QB Scott Otis and WR Shawn Ward. Put WR Eddie Britton, OL Sale Isaia and C Jeff Mitchell on injured reserve.

BUFFALO —Waived RB Carey Bender, TE Jason Bratton, LB Tyrell Buckner, P Marc Collins, WR Jimmy Cunningham, TE Pat Fitzgerald, DB Cliff Green, RB Rene Ingoglia, OL Dave Hack, DE Juan Hammonds, K Carlos Huerta, LB Paul Lacoste, OL Mike Rockwood, TE Mike Titley, DT Esera Tuaolo and DB Sean Woodson.

CAROLINA —Waived NT Ed Philion, CB Michael Reed, TE Syii Tucker, PK David Akers, LB Sedric Clark, G Robert Denton, T Brian Estes, WR Marion Evans, P Brian Gregori, T Todd Hunter, DE Bryan Jurewicz, LB Myron Newsome, DE Jeff Ogard, LB Mitchell Palmer, S Nakia Reddick and CB Tim Sensley. Put S Eric Vance on waived-injured list.

CINCINNATI—Waived S Bracey Walker, OL Melvin Tuten, NT William Carr, WR Jeff Hill and LB Randy Neal. Terminated contracts of LB Eddie Sutter and TE Troy Sadowski.

DALLAS—Waived S Roger Harper, QB Max Knake, LB Kerry Mack, TE Sean Shama, DE Brett Williams and DB Montrell Williams.

DENVER—Waived RB Reggie Rivers.

GREEN BAY—Waived WR Chris Miller, WR Ronnie Anderson, DT Mike Thompson, TE Kyle Wachholtz and DE Nicholas Lopez. Put RB Edgar Bennett on injured reserve.

INDIANAPOLIS —Waived LB Devon McDonald, RB Malcolm Thomas, DB Rico Clark, DB Clarence Thompson, DB Tim McTyer, OL Ron Collins, OL Brannon Kidd, WR Juan Daniels, WR Levi Kealoha, TE Darren Drozdov, DL John Meyer and DL Lorenzo West. Put OL Clay Williams on injured reserve.

MIAMI —Waived OT Jerome Daniels, G Randy Wheeler, G Donnie Young, DE Larry Jackson, S Charles Anthony, WR Dimitrious Stanley, DE Oscar Sturgis, LB Marc Lillibridge, DT Mike Mohring, FB Robert Wilson, FB Ray Nealy and TE Walter Reeves. Placed RB Kirby Dar Dar, WR Yatil Green and LB Larry Izzo on injured reserve.

MINNESOTA —Waived K Scott Sisson, DB Chris Johnson, DB Kwame Ellis, DB Robert Davis, DB Duane Butler, WR Clarence Jones, WR Yo Murphy, C Ben Lynch, LB Allen Stansbury, DE Todrick McIntosh and FB Obafemi Ayanbadejo. Put CB Antonio Banks on injured reserve.

NEW ORLEANS—Waived T Louis Age, WR Shannon Baker, K John Beckswoort, QB Jake Delhomme, WR Lee DeRamus, P Shayne Edge, S Tom Europe, WR Terry Goess, S Chris Hewitt, DT Joe O'Brien, DT Emile Palmer, LB William Sims and RB Ricky Whittle. Put TE Paul Green and LB Brian Jones on injured reserve. Put G Jerich on reserve-physically unable to perform list.

N.Y. GIANTS—Put WR Omar Douglas on injured reserve. Waived FB Matt Calhoun, DL Harold Gragg, DL Darnell Gilliard, PK Brian Hurley, S James Johnson, WR Van Johnson and T Dave Rilett.

N.Y. JETS—Waived DE Jeff Cummins, RB Lou D'Agostino, WR Joe Douglass, WR Todd Doxzon, TE Brian Goine, LB Craig Guest, LB Tyrone Hines, T Troy Stark, DB Anthony Walker and S Steve Rosga.

PHILADELPHIA —Released FB Rudy Harris. Put TE Andre President on injured reserve.

ST. LOUIS —Signed OL Orlando Pace to 7-year contract.

SAN DIEGO —Released T Robert Bell, K-P Wayne Boyer, LB Grant Carter, QB Tony Corbin, LB Joe DiBernardo, FB Rodney Filer, S Sean Hamlet, LB Anthony Hicks, TE Werner Hippler, DE Pat Ivey, WR Damion Johnson, G Ron Lewis, WR Ray Peterson, WR Anthony Rodgers, C Bryan Stoltenberg, CB Michael Swift and LB Chris Singleton.

SEATTLE—Waived OT Robert Barr, CB Carlos Jones, QB Jim Arellanes, P Paul Burton, WR Andre Cooper, OT Pete DiMario, DE Nick Gianacakos, CB Alonzo Hampton, G J Ina, LB LeVance McQueen and G Larry Moore. Waived DT Keif Bryant, LB Tyrell Peters, TE Jamal Clark, WR Robert Wilson, C David Kempfert and DT Pat Riley. Put LB Jason Kyle, WR Grayson Shillingford and RB Doug Innocent on injured reserve. Put DT Henry McMillian, S T.J. Cunningham and TE Irril Mill on physically unable to perform list.

TAMPA BAY —Put WR-KR Marvin Marshall, T Stephen Ingram and G Brian Newman on injured reserve. Waived G Sean Love, TE Willy Tate, WR Gregory Spann, WR Nilo Silvan, WR Chris Campbell, FB Robert Staten, QB Jason Martin, PK Bjorn Nittmo, DT Anthony DeGrate, DT Patrick Garth, DE Israel Stanley, LB Mark Williams, LB LaCurtis Jones, LB Eddie Mason, CB Cliff Shamburger, S Eric Austin, DE Emil Ekiyor, S Todd Scott, CB Floyd Young.

WASHINGTON—Waived P Lance Anderson, CB Tomur Barnes, LB Larry Echols, K Pete Elezovic, QB Mark Hartsell, FB Jim Kitts, DE Mark Lee, WR Bobby Olive, G Matt Reem, DT Dwaine Robinson, TE Del Seagraves and C Chris Sedoris.

HOCKEY

NATIONAL HOCKEY LEAGUE

CALGARY —Named Steve Smith assistant coach.

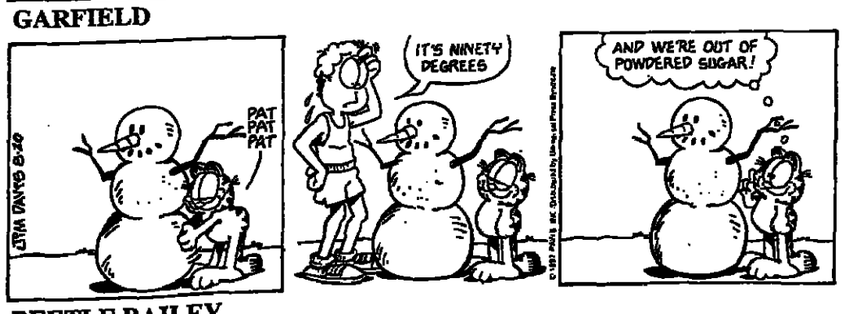
EDMONTON—Signed D Kevin Lowe to multiyear contract.

DENNIS THE MENACE

PEANUTS

CALVIN AND HOBBES

GARFIELD



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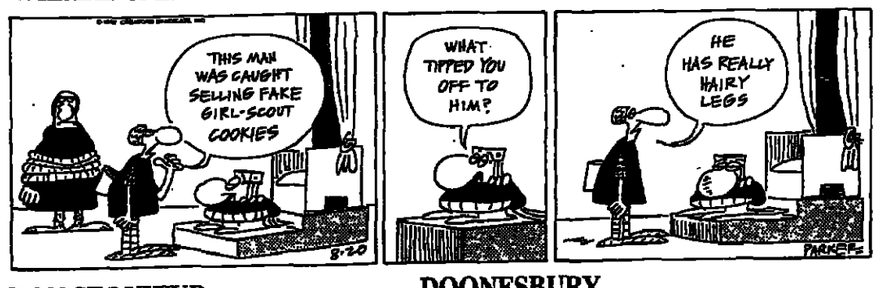
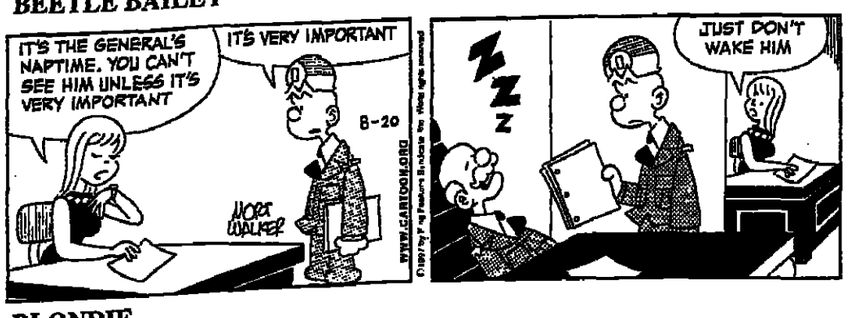


BEETLE BAILEY



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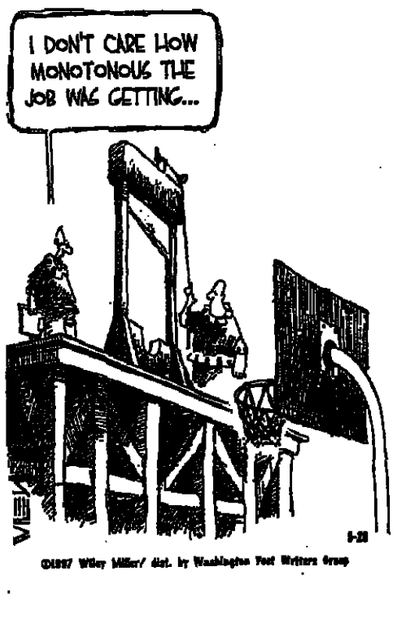

DOONESBURY

BLONDIE

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

ALAFT

DELAL

UEFED

RUZZEB

A PLAN TO INCREASE GASOLINE TAXES DID THIS.

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: "" ""

(Answers tomorrow)

Yesterday's Jumbles: BALMY CROUP HAWKER WHEEZE
Answer: How his offer of hot coffee left her — LUKEWARM

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OBSERVER

The Other Nantucket

By Russell Baker

NANTUCKET, Massachusetts — It used to be when you took the ferry out to Nantucket Island you were really out of it. Absolutely nobody went there. Which is to say nobody who was anybody in New York or Washington.

That was part of its charm. There was the occasional heir from Philadelphia, the short-tempered millionaire from Cincinnati fuming into the martinis about the press's unfairness to Richard Nixon. But you were gloriously remote from the tedium of political jabber and the chest-thumping of giants who merged Amalgamated with Consolidated.

At the eastern end of the island a village of tiny fishing shacks had been gussied up for a small contingent of the summering white-shoe set and a few Broadway theater types, and in Nantucket town there was one good restaurant. It opened only in summer.

□

We are talking of an ancient age when Nantucket closed its main shopping street every Sunday evening for a concert by the town band because the authorities thought visitors on Sunday nights would rather listen to Sousa than shop for T-shirts.

On the Fourth of July, Main Street was blocked to make space for races, games, water fights. It was terrible for business, but nobody seemed to mind. It was the Fourth of July. Even business took a holiday. The Fourth of July was that important!

This summer when you make the trip out to Nantucket Island you are really in for it. Everybody who is anybody is here, except for those who are in the Hamptons of Long Island, Martha's Vineyard, Block Island, Rehoboth, Delaware, and wherever the most vital people of California congregate in August.

Places like those and this are summer showcases of American wealth.

At Nantucket's airport, once inadequate for anything much bigger than a puddle-jumper, private jets now come and go bearing captains of the boardroom to and from the cruel labors of merging, acquiring, downsizing and outsourcing.

□

There are less awesome evidences of the island's rise to grandeur in things as mundane as laundry. The other day, for example, the computer was down at Holdgate's Island Laundry, which meant that — yes, yes! — Nantucket now has computerized laundry.

Nantucket, baby, you've come a long way from the time when people lugged their dirty clothes to a couple of dilapidated laundromat machines that were threatening to fall into the harbor under Straight Wharf, which was also threatening to fall into the harbor.

Brand new trophy houses big enough for 12-child families now spread across island moors once notable for their solitude and bare oceanic beauty. The important thing now, as everywhere else in the country, is not just to let people know you've got it, but to do so with no silly pretense that you are humble about it.

As the old television commercial said, if you've got it, flaunt it.

New York Times Service

Armenian Poet's Tale Reconstructs a Tragedy

By Dinitia Smith
New York Times Service

HAMILTON, New York — Growing up in Tenafly, New Jersey, during the "strange sweetness of a privileged childhood," the poet Peter Balakian could feel beneath the membrane of suburban life the intimations of his family's ancient and exotic Armenian culture and a dark and terrifying past.

On Sundays, there were the incense-filled, 1,500-year-old rituals of the Armenian church. There were oriental rugs on the floors of his family's house, while other children's houses had shag. There was Balakian's beloved grandmother, Nafina, who baked *choereg*, Armenian shortbread, and told him strange parables and fragments of her violent dreams.

But mostly Balakian lived the blithe existence of a suburban child, his life marked by the sports seasons, basketball, baseball, football, largely unaware of his family's past and of the historical moment that has come to define it forever.

Then, when Balakian was 23, he discovered "Ambassador Morgenthau's Story," a memoir written by Henry Morgenthau, U.S. ambassador to Turkey from 1913 to 1916. His hands sweating, he read this report of the massacre of more than a million Armenians by the Turkish government. Suddenly all the scattered memories of his childhood coalesced like the shards of a broken mirror.

A year later came another stunning moment, when an aunt revealed to him the full story of his grandmother, whose first husband, parents, aunts, brothers, sisters, nieces and nephews were slaughtered by the Turks. His grandmother, her first husband and their infant daughters were sent into the Syrian desert without food or water, to die. They were among the few who survived the death march, though her husband was later killed.

The discovery of his family's past impelled Balakian, who is now 46 and a professor of English at Colgate University in Hamilton, New York, to learn more about Armenian culture and history, and the events of 1915 to 1917. The results of his quest are chronicled in his memoir, "Black Dog of Fate," published in May.

Vincent J. Musi—The New York Times

Peter Balakian, left, and ancestors who were killed on Aug. 1, 1915. His memoir tells their story.

Balakian, the author of five books of poetry and a critical study of Theodore Roethke, is part of a group of third-generation Armenians who have brought to the surface once again the facts of Armenia's tragic history, events that have been overshadowed by the huge numbers killed during the Nazis' slaughter of the Jews three decades later.

Carol Edgarian, in her 1994 novel "Rise of the Euphrates," a multigenerational saga, takes as her starting point the Turkish atrocities. Mark Arax, in his memoir about his father's murder, "In My Father's Name," traces his family's violent history back to the massacres.

The playwright Leslie Ayvazian, in "Nine Armenians," tells the story of a young woman whose family has always repressed memories of the genocide and who travels back to the newly independent Republic of Armenia as a relief worker.

The Canadian filmmaker Atom Egoyan, in his widely praised 1993 film "Calendar," tells the story of a young Armenian photographer's return to Armenia to take pictures of old churches for a church calendar, for many Armenians one of their few links to the culture.

At the heart of their work is a search for justice and acknowledgment. "I needed to tell a family story that came to haunt me as an adult," Balakian said of his memoir, "to chart the affirmative, powerful and beautiful parts of my growing up and" — referring to the 1915 massacre — "this enormous, major moral event of the 20th century."

The Armenian culture has roots in Anatolia and the Caucasus stretching back 2,500 years. The Armenians were a cosmopolitan people with strong ties to the Hellenic world, and as traders they traversed the globe from Shanghai to Amsterdam to India. They were the Ottomans' architects, famous for the sensuous carvings of their churches as well as for their tiles, their rugs and their lace.

Along with Greeks and Jews, Armenians constituted a large part of the intellectual and financial infrastructure of the Ottoman empire. They were often resented by the Turks because they were Christians, better educated, wealthier and Westernized. Like Jews, Armenians were in many places forbidden to own property, so they frequently became bankers and money lenders, and like Jews they were despised. During successive waves of persecution they dispersed throughout the world, and today the Armenian diaspora extends from Australia to Jerusalem. Armenians settled on the farms and vineyards of California, and more recently many poorer immigrants from the former Soviet Union have settled in Los Angeles.

With the outbreak of World War I, the Turkish government that had replaced the old theocracy saw the Armenians as a security threat and collaborators with the Russians. As part of a systematic plan of extermination, the Armenians say, two-thirds of the Armenian people were killed, deported or sent into the desert to starve.

The Armenian massacre was widely chronicled in the press. In The New York Times of Feb. 6, 1916, a headline said, "Babies Thrown Into Rivers." The next day, a headline told of a "Great Plain Black With Refugees." Another headline, on the following Aug. 21, read, "500,000 Massacred." Still another, on the same page, read, "Begged to be Buried Alive."

To this day, the Turkish government disputes that genocide took place. "Armenians are afraid of knowing more about historic events," said a spokesman for the Turkish Embassy in Washington who asked not to be identified. "We admit there was a tragedy at the end of World War I, but it was a wartime period."

Balakian has protested attempts to suppress the Armenian story.

"The Armenian holocaust deserves to take its rightful moral place in history," said Balakian. "For a generation for whom there could be no justice, the pain is compounded by the evil of denial. There is always a period of delay after a trauma. But now we are at a moment of threshold."

FLYING ADS

Between the Wind and Water, Banner Days at the Beach

By Ken Ringle
Washington Post Service

OCEAN CITY, Maryland — This is your captain speaking. We are currently 300 feet above the queen city of mid-Atlantic beach culture in the little red plane next to the one pulling the banner advertising the bikini fashion show at Hooters. Our aircraft is a radial-engine, open-cockpit Waco biplane that looks like something conjured up by the Red Baron.

We knew you wondered what lurks in the hearts of those intrepid sign-pullers winging their way through summer, out over the surf line, looking down for glimpses of full-frontal sunbathers or great white sharks grazing among the surfboards.

What do they think about when they're up there?

"Aerobatics!" says Gina Moore, 27, a Tennessee stunt flier who, her colleagues say, has spent more flight time upside down than right side up and tows a banner boosting Wockenfuss taffy.

"Women!" says Dave Carper, 32, uniformed in a "Will Work for Sex" T-shirt whose banner touts a band called Love See Mama Jump at the Hurricane on 68th Street.

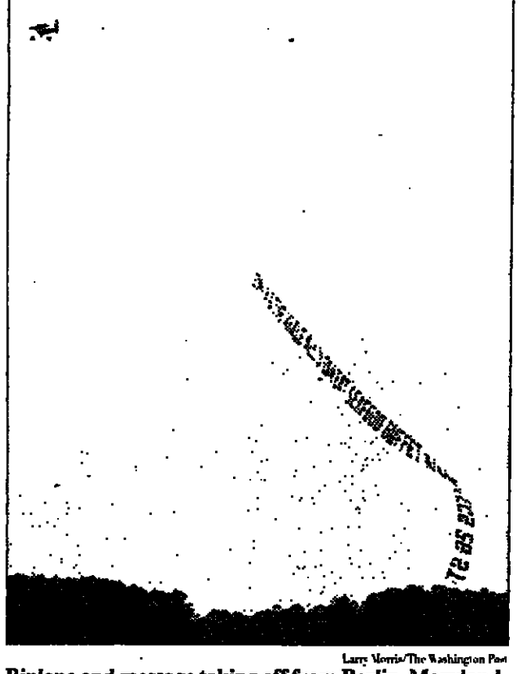
"Fun!" shouts biplane pilot John McLaughlin, 45, over the Waco's engine racket and wind rush. "We're all having more fun than we ever had in our lives."

McLaughlin, a rakish Inverness, Florida, hospital pharmacist, has put aside pill-pushing for the summer to barnstorm the boardwalks between Assateague Island and Delaware Bay. He and the others are part of an 11-plane air force operated out of a Berlin, Maryland, chicken farm by a former high school agriculture teacher, Bob Bunting. For the past 17 years Bunting has found additional egg money — and no end of amusement — in tow-plane aviation.

On any summer weekend his ragtag crew of pilots may fly 80 or more half-hour message missions. They advertise restaurants and nightclubs and lovesick suitors (Deanna Will You Marry Me Please? Love Jimmy) at $75 to $295 a pop.

That's not counting the biplane rides — $55 for 10 minutes to $150 for half an hour.

"People come up here in the biplane and they're astounded to see how narrow Ocean City is," McLaughlin says. "The whole island's only about three blocks wide. They find that sort of scary. And these are people, most of them, who have absolutely no understanding what a hurricane can really do."



Larry Morris/The Washington Post

Biplane and message taking off from Berlin, Maryland.

But you'll have a hard time holding that particular thought. In an era when most people fly sealed in a giant tube, there is something redeeming about an open-cockpit biplane. It may be the only perfect way to experience Ocean City: above the noise and the traffic and the T-shirt shops and the smell of coconut sunscreen and stale hot pretzels; above Tattoo Charlie's and Shock Value Body Piercing and Bahama Mama's and the miniature golf course built around giant plastic icebergs. With the wind in your face you transcend the Cloudbreak Surf Shop ("Hot Deals on Cool Stuff") and Big Pecker's Bar & Grill and the Bearded Clam and look out instead on the pellucid waters of Assawoman Bay.

"Hey, Dave!" crackles the radio from one of the tow planes. "Did you catch that chick on the surfboard about a mile south of the Fenwick Hotel? Check it out!"

The staging ground for Bunting's Ocean City air force lies west of here and several generations removed from the technocratic impersonality that cloaks much of commercial aviation. It rather resembles a summer camp.

When Bunting mustered his troops at 8 one recent morning they included his niece Laurie Bunting, 19, and her 16-year-old brother, Ralph; Dan Moore, 24, a theology graduate from Wisconsin training to fly missionaries in Indonesia; Debbie Dulles, 24, of Snow Hill, who moonlights as a waitress in a nearby inn, and Anthony ("I'll be 15 in two days") Rhode, who had braces on his teeth and a fondness for aerial work breaks on the nearby Bunting trampoline.

Everybody showed up in shorts looking slightly disheveled.

The 16 regulars began sleepily pushing planes out of the hangar, piecing together banners and racing around on an impressive collection of fat-tired three- and four-wheel motorcycles, golf carts and even a miniature eight-wheel John Deere dump truck. Trading insults all the while.

While many of the banners towed by Bunting's Ocean Aerial Ads Inc. remain the same week after week, most are put together or updated daily from a stock of some 5,000 nylon letters, numbers and symbols housed in the handsome white barn that sheltered horses and mules in the days before airplanes.

A cheerful fortyish woman named Sandra Jones presides over the assembly process, while Rhonda Hancock, 21, and her sister Ericka, both of Salisbury, Maryland, buckle the letters together and strengthen fraying E's and S's with duct tape. It's past 10 before Chris Bernath lifts off in his red-and-white Piper Super Cub.

The banner says HAPPY 42d BIRTHDAY MARC and Chris wings away through the haze toward "some blue umbrellas on the beach north of the boardwalk in Rehoboth."

"Personal" messages like Marc's are only about 5 percent of his sign business, Bunting says, but they're the most fun. Most are birthdays, anniversaries or proposals, but the one he remembers most said something like HONEY PLEASE FORGIVE ME I'M REALLY, REALLY SORRY.

"That guy must have really screwed up," Bunting says thoughtfully. "We didn't just fly that once. We flew it a lot."

PEOPLE

THE couturier **Jean-Charles de Castelbajac** has apparently upset conservative Catholics by using a rainbow on clothing he designed for the World Youth Festival, which opened Tuesday in Paris. With the rainbow emblazoned on the robes of **Pope John Paul II**, who will lead a Mass for up to 500,000 people on Sunday, and adorning the festival's T-shirts, bandannas, hats and umbrellas, church officials defended the use of the design, which resembles a symbol of the gay rights movement. Homosexuals "did not invent the rainbow, and it is not the same rainbow," said **Bishop Michel Dubost**, chief organizer of the youth festival. Castelbajac, a devout Catholic, was asked by the Archdiocese of Paris to design the ceremonial robes for the youth event. His signature rainbow design has stripes of green, blue, red, orange and yellow, each color representing a continent. The 5,000 priests attending the final Mass on Sunday will wear crosses of the different colors on their sleeves. Castelbajac, who has dressed stars from **Lauren Bacall** to **Elton John**, also used his rainbow design for the festival's sportswear and a crucifix. Sales of the items are expected to cover one-fifth of the festival's budget.

□

The Rolling Stones will begin a yearlong concert tour in Chicago next month, with stops planned in North and South America, the Middle East, India and Europe. **Mick Jagger** and friends announced. Several top bands, including **Sheryl Crow** and **Smashing Pumpkins**, have agreed to open some shows on the "Bridges to Babylon" tour.

□

Dancers with the English National Ballet have been told to lose their suntans because their bosses fear they will look more like lobsters than swans for a forthcoming production of "Swan Lake." The order went out as the troupe reassembled after a five-week break sporting sun-kissed bodies. "We simply cannot have roasted swans," the ballet's artistic director, **Derek Deane**, told the dancers, asking them to stay indoors or wear hats and sunblock outside.

Frank Hanson/Agence France-Presse

Ballerinas taking refuge from the sun in London.

□

Anthony Quinn settled his divorce case Tuesday, just hours after one of his sons testified that the actor had abused his wife, **Iolanda**, during their 31-year marriage. Quinn, 82, a two-time Academy Award winner, was accused in court of hitting his wife and shouting obscenities. **Danny Quinn**, 33, testified that he never tried to stop the abuse of his mother because he was young at the time and thought that if he tried to interfere or call police, "My father would have killed me." Terms of the settlement were not disclosed, but a lawyer for Mrs. Quinn said she was "very satisfied. She doesn't want to gloat, but she's very happy."

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